
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, 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 transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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

(Stock Code: 03993)

FINANCIAL REPORT AND BUDGET REPORT
PROPOSED DISTRIBUTION OF FINAL DIVIDEND
PROPOSED PURCHASE OF STRUCTURED DEPOSIT WITH INTERNAL IDLE FUND
PROPOSED PURCHASE OF WEALTH MANAGEMENT OR ENTRUSTED WEALTH
MANAGEMENT PRODUCTS WITH INTERNAL IDLE FUND
PROPOSED PROVISION OF GUARANTEE TO WHOLLY-OWNED SUBSIDIARIES
PROPOSED EXTENSION FOR PROVISION OF FINANCING GUARANTEE TO A JOINT
VENTURE OF THE COMPANY
PROPOSED GENERAL MANDATE FOR ISSUE OF DEBT FINANCING INSTRUMENTS
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR SHAREHOLDERS'
GENERAL MEETINGS OF THE COMPANY
PROPOSED GENERAL MANDATE FOR ISSUE OF SHARES
AND
PROPOSED GENERAL MANDATE FOR REPURCHASE OF H SHARES

A letter from the Board is set out on pages 1 to 22 of this circular. Notices convening the AGM and the Class Meeting of H Shareholders to be held at Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC on Friday, 12 June 2020 are set out on pages AGM-1 to AGM-9 and NOTICE-1 to NOTICE-8 of this circular and have been dispatched to the Shareholders on 24 April 2020. The forms of proxy and reply slips for use in connection with the AGM and the Class Meeting of H Shareholders have also been dispatched to the Shareholders together with the notices on the same day. For ease of reference, the notices convening the AGM and the Class Meeting of H Shareholders are attached to this circular.

Whether or not you are able to attend the AGM and the Class Meeting of H Shareholders in person, you are requested to complete, sign and return the reply slip and form of proxy applicable to the AGM and the Class Meeting of H Shareholders in accordance with the instructions printed thereon. For H Shareholders, the form of proxy applicable to the AGM and the Class Meeting of H Shareholders 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 Thursday, 11 June 2020 (or if the AGM and the Class Meeting of H Shareholders are adjourned, such time shall be no later than 24 hours before the time designated for holding the relevant meeting. Completion and return of the form of proxy applicable to the AGM and the Class Meeting of H Shareholders will not preclude you from attending and voting in person at the AGM and the Class Meeting of H Shareholders or any adjournment thereof should you so wish.

H Shareholders who intend to attend the AGM and the Class Meeting of H Shareholders 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 meetings, i.e. before Friday, 22 May 2020 by hand, by post or by facsimile.

7 May 2020

* For identification purposes only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms and expression have the meaning set forth below:

“A Share(s)”	domestic share(s) with a nominal value of RMB0.20 each issued by the Company which are listed on the Shanghai Stock Exchange and traded in Renminbi (stock code: 603993)
“A Shareholder(s)”	holder(s) of A Shares
“AGM”	the annual general meeting of the Company (and any adjournment thereof) to be held at 1:00 p.m. on Friday, 12 June 2020 at Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC
“Articles of Association”	articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“Budget Report”	the financial budget report of the Company (and any adjournment thereof) for the year ending 31 December 2020, which was approved at the eighth meeting of the fifth session of the Board on 27 March 2020
“Class Meeting of A Shareholders”	the 2020 first class meeting of A Shareholders (and any adjournment thereof) to be held on Friday, 12 June 2020 after the AGM at Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC
“Class Meeting of H Shareholders”	the 2020 first class meeting of H Shareholders (and any adjournment thereof) to be held on Friday, 12 June 2020 after the AGM and the Class Meeting of A Shareholders at Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City Henan Province, the PRC
“Company”	China Molybdenum Co., Ltd.* (洛陽樂川鋁業集團股份有限公司), a joint stock company established in the PRC with limited liability, the A Shares and H Shares of which are listed and traded on the SSE and the main board of the Hong Kong Stock Exchange, respectively

DEFINITIONS

“Company Law”	the Company Law of the PRC
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Final Dividend”	the proposed distribution of a final dividend of RMB0.043 per Share (tax inclusive) for the year ended 31 December 2019 as described in the annual results announcement of the Company dated 27 March 2020
“Financial Report”	the 2019 financial report of the Company as set out in Appendix I to this circular, which was approved at the eighth meeting of the fifth session of the Board on 27 March 2020
“Fuchuan Mining”	Luoyang Fuchuan Mining Co., Ltd.* (洛陽富川礦業有限公司), a joint venture of the Company. Despite that its financial statements have yet to be consolidated into the consolidated financial statements of the Group, Fuchuan Mining is controlled by the Company in its daily operation and management through contract arrangements, therefore is deemed as a subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

DEFINITIONS

“Latest Practicable Date”	28 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC” or “China”	the People’s Republic of China (for the purposes of this circular, excluding Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan)
“Reply”	the Reply of the State Council on Adjusting the Notice Period of the General Meeting of Shareholders Applying to Overseas Listed Companies and Other Matters (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》)
“Reporting Period”	as of 31 December 2019
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the repurchase mandate to be approved at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders, 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
“Share(s)”	A Share(s) and H Share(s)
“Share Mandate”	subject to the conditions set out in the proposed resolution approving the share mandate to be approved at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders, the general mandate to authorise the Board to exercise its authority to issue additional A Shares not exceeding 20% of the number of the A Shares in issue and additional H Shares not exceeding 20% of the number of the H Shares in issue as at the date of passing of the said resolution

DEFINITIONS

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

LETTER FROM THE BOARD



CMOC

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:

GUO Yimin
YUAN Honglin
CHENG Yunlei

Independent non-executive Directors:

WANG Gerry Yougui
YAN Ye
LI Shuhua

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:

31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

7 May 2020

To the Shareholders

Dear Sir/Madam,

**FINANCIAL REPORT AND BUDGET REPORT
PROPOSED DISTRIBUTION OF FINAL DIVIDEND
PROPOSED PURCHASE OF STRUCTURED DEPOSIT WITH INTERNAL IDLE FUND
PROPOSED PURCHASE OF WEALTH MANAGEMENT OR ENTRUSTED WEALTH
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LETTER FROM THE BOARD

1. INTRODUCTION

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

AGM

- (i) Financial Report and Budget Report;
- (ii) proposed distribution of Final Dividend;
- (iii) proposed purchase of structured deposit with internal idle fund;
- (iv) proposed purchase of wealth management or entrusted wealth management products with internal idle fund;
- (v) proposed provision of guarantee to wholly-owned subsidiaries;
- (vi) proposed extension for provision of financial guarantee to a joint venture of the Company;
- (vii) proposed general mandate for issue of debt financing instruments;
- (viii) proposed amendments to the Articles of Association;
- (ix) proposed amendments to the Rules of Procedure for Shareholders' General Meetings of the Company;
- (x) proposed Share Mandate; and
- (xi) proposed Repurchase Mandate.

Class Meeting of H Shareholders

- (i) proposed amendments to the Articles of Association;
- (ii) proposed amendments to the Rules of Procedure for Shareholders' General Meetings of the Company;
- (iii) proposed Share Mandate; and
- (iv) proposed Repurchase Mandate.

LETTER FROM THE BOARD

2. FINANCIAL REPORT AND BUDGET REPORT

As stated in the overseas regulatory announcement of the Company dated 3 March 2020, the Company convened the twelfth extraordinary meeting of the fifth session of the Board and considered and approved the proposal in relation to the financial budget, details of which are as follows:

Based on future economic and market dynamics, the Company sets the following budgeted production volume on major products for the year of 2020:

1. copper and cobalt business: the production volume of copper metal is 163,000 tonnes to 200,000 tonnes, and the production volume of cobalt metal is 14,000 tonnes to 17,000 tonnes.
2. molybdenum and tungsten business: the production volume of molybdenum metal is 12,000 tonnes to 15,000 tonnes, and the production volume of tungsten metal is 7,000 tonnes to 9,000 tonnes (excluding Luoyang Yulu Mining Co., Ltd. (“**Yulu Mining**”)).
3. copper and gold business (calculated based on 80% of equity interests): the production volume of NPM copper metal is 24,000 tonnes to 29,000 tonnes, and the production volume of gold is 20,000 ounces to 25,000 ounces.
4. niobium and phosphates business: the budgeted production volume of niobium metal is 10,000 tonnes to 12,000 tonnes, and the budgeted production volume of phosphates fertilizer (high concentration fertilizer and low concentration fertilizer) is 1,009,000 tonnes to 1,234,000 tonnes.
5. Mineral trade business: physical trade volume of 4.53 million tonnes to 5.54 million tonnes.

The Board also approved the Financial Report at the eighth meeting of the fifth session of the Board held on 27 March 2020, a copy of which is set out in Appendix I to this circular.

An ordinary resolution regarding the consideration and approval of the Budget Report and the Financial Report will be proposed at the AGM.

3. PROPOSED DISTRIBUTION OF FINAL DIVIDEND

As stated in the annual results announcement of the Company for the year ended 31 December 2019 and the overseas regulatory announcement of the Company both dated 27 March 2020 in relation to, among other things, the recommendation of a payment of a final dividend for the year ended 31 December 2019, the Board proposed to distribute the Final Dividend of RMB0.043 per Share (tax inclusive) subject to the approval of the Shareholders at the AGM and an ordinary resolution will be proposed to the Shareholders for voting at the AGM.

The Company will make further announcement regarding the proposed distribution of Final Dividend to A Shareholders.

LETTER FROM THE BOARD

Tax

In accordance with the “Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法》) and the “Rules for the Implementation of Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法實施條例》), both implemented on 1 January 2008 and the “Notice on Issues in Relation to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Enterprises to Overseas Non-resident Enterprise Holders of H Shares” (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) promulgated on 6 November 2008, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise Shareholders at a tax rate of 10%, when the Company distributes annual dividend to non-resident enterprise Shareholders whose names appear on the H Shares Register of Members on the reference date. As such, any H Shares registered in the name of non-individual Shareholder, including shares registered in the name of HKSCC Nominees Limited, and other nominees, trustees, or other organizations and group, shall be deemed to be H Shares held by non-resident enterprise Shareholder(s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon. Non-resident enterprise Shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividends.

In accordance with the “Notice on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the PRC Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. Furthermore, the competent tax authority of the Company confirmed that the relevant requirements under the “Notice on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) is applicable to the Company, the Company will not be required to withhold and pay any individual income tax on behalf of individual Shareholders when the Company distributes the Final Dividend to individual Shareholders whose names appear on the H Shares Register of Members.

Pursuant to the “Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market” (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) promulgated on 17 November 2014:

LETTER FROM THE BOARD

- For mainland individual investors who invest in the H Shares via the Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax at the rate of 20% in the distribution of the Final Dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Corporation Limited for tax credit relating to the withholding tax already paid abroad. For mainland securities investment funds that invest in the H Shares via the Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax in the distribution of the Final Dividend pursuant to the foregoing provisions; and
- For mainland corporate investors that invest in the H Shares via the Shanghai-Hong Kong Stock Connect, the Company will not withhold the income tax in the distribution of the Final Dividend and the mainland corporate investors shall file the tax returns on their own.

H Shareholders are recommended to consult their tax advisors regarding the relevant tax laws and regulations in the PRC, Hong Kong and other countries on the dividend payment by the Company and on the taxation implications of holding and dealing in the H Shares.

An ordinary resolution regarding the consideration and approval of the resolution in relation to the proposed distribution of the Final Dividend will be proposed at the AGM.

4. PROPOSED PURCHASE OF STRUCTURED DEPOSIT WITH INTERNAL IDLE FUND

As stated in the overseas regulatory announcement of the Company dated 27 March 2020, the Company convened the eighth meeting of the fifth session of the Board on 27 March 2020, and considered and approved the proposal on the purchase of structured deposit with internal idle fund, details of which are as follows:

According to the Company's operation plan and the use of funds, under the premise of ensuring liquidity and safety of funds, the Company and its subsidiaries intend to use the internal idle fund to purchase structured deposit products from banks and their branches. It is expected that product yields of the structural deposit products purchased by the Company are higher than the bank deposit rates for the same period. The term for the structured deposit products of the proposed purchase is mainly set in short term and each separate product shall not exceed 12 months. The balance cap of such unmatured structured deposit products purchased by the Company shall not exceed RMB10 billion (or equivalent amount in foreign currency). The validity term shall be effective from the date of approval at the AGM to the date of convening of the 2020 annual general meeting, and the Board is authorised to consider and approve specific implementation plan or scheme within the aforementioned validity term and size of the structured deposit products. The plan of purchase of structured deposit does not constitute a related party transaction nor a major asset restructuring.

LETTER FROM THE BOARD

- (1) The counterparties of the structured deposit products are banks and their branches, with whom the Company have no other relationships in the aspects of property rights, assets, creditor's rights, debts and personnel.
- (2) The structured deposit products purchased by the Company are mainly short term products, and each separate product shall not exceed 12 months. The balance cap of the unmatured structured deposit products shall not exceed RMB10 billion (or equivalent amount in foreign currency). The validity term shall be effective from the date of the passing of this resolution at the AGM to the date of convening the 2020 annual general meeting, and the Board is authorised to exercise relevant right of decision-making within the above-mentioned validity term and size of the structured deposit products.
- (3) The structured deposit products to be purchased are free from guarantee of contract performance.
- (4) When the working capital of the Company appears to be short-term idleness, the usage of such funds for investment in short-term structured deposit will receive additional wealth management income and lower the financial expenses of the Company, which will not affect the needs of daily cash flow and ordinary operation of the principal business of the Company since the account capital of the Company is based on the premise of ensuring operating income and expense.
- (5) The Company will select the banks and their branches with large scale and high credibility for the structured deposit business and will perform normative management, stringently control risks, and regularly pay attention to relevant conditions of the structured deposit products funds. The Company will adopt corresponding measures in a timely manner to control investment risks once discovering risks may probably be incurred.

An ordinary resolution regarding the consideration and approval of the proposal on the purchase of structured deposit with internal idle fund will be proposed at the AGM.

As certain structured deposit to be purchased by the Group under such resolution will not be treated as cash and cash equivalent or bank balances in the consolidated balance sheet of the Group, the purchase of such kind of structured deposit will be deemed as a transaction under the Chapter 14 or Chapter 14A of the Hong Kong Listing Rules where applicable, and the Company will comply with relevant rules and requirements when purchasing such kind of structured deposit in accordance with such resolution.

LETTER FROM THE BOARD

5. PROPOSED PURCHASE OF WEALTH MANAGEMENT OR ENTRUSTED WEALTH MANAGEMENT PRODUCTS WITH INTERNAL IDLE FUND

As stated in the overseas regulatory announcement of the Company dated 27 March 2020, the Company convened the eighth meeting of the fifth session of the Board on 27 March 2020, and considered and approved the proposal on the purchase of wealth management or entrusted wealth management products with internal idle fund, details of which are as follows:

In order to improve the efficiency of internal idle fund and maximize the practical value of the fund, under the premise of ensuring the Company's daily operations, capital security, operational compliance, and control of risks, the Company uses the temporary internal idle fund to invest and purchase wealth management or entrusted wealth management products to maximize the benefits of capital management. Details are as follows:

- (1) Size of Investment: the balance cap of the unmatured wealth management or entrusted wealth management investment shall not be more than RMB5 billion (or equivalent amount in foreign currency).
- (2) Investment Targets: financial instruments with high credit rating and good liquidity, including but not limited to, national debt traded in inter-bank bond market, central bank bill, financial debts, bank subordinate debts, repurchase of bonds and enterprise bonds, corporate bonds, short-term financing notes and medium-term notes with investment level or above; interbank deposits of banks, placements in monetary market, various financial products secured by banks and non-bank financial institutions and other legal financial assets trust plan as well as wealth management or entrusted wealth management products (excluding structured deposit products).
- (3) Validity Term: from the date of the passing of this resolution at the AGM to the date of convening the 2020 annual general meeting.

On the premise of ensuring the Company's daily operations and capital security, the use of the Company's internal idle fund for wealth management and entrusted wealth management businesses will be implemented. It will not affect the normal turnover of the Company's daily funds nor affect the normal development of the Company's main business. Through the modest capital-guaranteed wealth management, it can improve the efficiency of use of the Company's capital, increase capital gains, and obtain more return on investment for the Shareholders.

LETTER FROM THE BOARD

An ordinary resolution regarding the consideration and approval of the proposal on the purchase of wealth management or entrusted wealth management products with internal idle fund will be proposed at the AGM.

As the purchase of wealth management or entrusted wealth management products with internal idle fund will be deemed as a transaction under the Chapter 14 and Chapter 14A of the Hong Kong Listing Rules, where applicable, the Company will comply with relevant rules and requirements under the Chapter 14 and Chapter 14A of the Hong Kong Listing Rules when purchasing wealth management or entrusted wealth management products in accordance with such resolution.

6. PROPOSED PROVISION OF GUARANTEE TO WHOLLY-OWNED SUBSIDIARIES

As stated in the overseas regulatory announcement of the Company dated 27 March 2020, the Company convened the eighth meeting of the fifth session of the Board on 27 March 2020, and considered and approved the proposal in relation to the provision of guarantee to the wholly-owned subsidiaries of the Company, details of which are as follows:

In order to provide a better support to the development of the direct or indirect wholly-owned subsidiaries of the Company, response more quickly to their financing needs and reduce their financial costs, according to the current operation of the Company, the Company proposed to provide, directly or through its wholly-owned subsidiaries (including direct or indirect wholly-owned subsidiaries, the same thereafter), a line of credit guarantee up to an accumulated maximum amount of RMB18 billion (or equivalent amount in foreign currency) to other wholly-owned subsidiaries, including but not limited to the guarantee provided by the Company, directly or through its wholly-owned subsidiaries, to other wholly-owned subsidiaries under the financial institutions financing, the derivatives trading cap and overdraft cap (exclusive of the financing guarantee balance provided by the Company, directly or through its wholly-owned subsidiaries, to other wholly-owned subsidiaries due to merger and acquisition projects, and the guarantee of USD bonds). The validity term shall be effective from the date of approval at the AGM to the date of convening the 2020 annual general meeting.

The Company intended to propose to the AGM to authorise the Board to decide and deal with matters in relation to the provision of the above-mentioned guarantee by the Company, directly or through its wholly-owned subsidiaries, to other wholly-owned subsidiaries. Details of the authorization shall include:

- (1) to authorise the Board to decide and deal with matters in relation to the provision of the above-mentioned guarantee by the Company, directly or through its wholly-owned subsidiaries, to other wholly-owned subsidiaries within a balance cap of RMB18 billion (or equivalent amount in foreign currency). Such cap may be effective from the date of approval at the AGM to the date of convening the 2020 annual general meeting;

LETTER FROM THE BOARD

- (2) to determine and implement the specific plan in relation to the provision of the above-mentioned guarantee by the Company, directly or through its wholly-owned subsidiaries, to other wholly-owned subsidiaries in accordance with specific conditions, including, among others, the targets, the amounts, the terms and the methods of guarantee and other specific matters;
- (3) to perform the approval procedures (if any) in relation to the aforesaid guarantee and disclose information in a timely manner in accordance with the requirements of the SSE, the Hong Kong Stock Exchange and the relevant regulatory authorities;
- (4) to deal with all other matters in relation to the aforesaid guarantee.

The Resolution on the Provision of Financing Guarantee among Direct or Indirect Wholly-owned Subsidiaries of the Company, which was originally considered and approved at the extraordinary general meeting of the Company on 27 December 2019, will be terminated from the date of consideration and approval of this resolution at the AGM.

A special resolution regarding the consideration and approval of the proposal in relation to the provision of guarantee to the wholly-owned subsidiaries of the Company will be proposed at the AGM.

7. PROPOSED EXTENSION FOR PROVISION OF FINANCING GUARANTEE TO A JOINT VENTURE OF THE COMPANY

As stated in the announcement of the Company in relation to the proposed provision of financing guarantee to a joint venture of the Company dated 27 March 2020, the Company convened the eighth meeting of the fifth session of the Board on 27 March 2020, and considered and approved the proposal in relation to extension for the provision of guarantee to a joint venture of the Company within an amount of not more than RMB800 million, details of which are as follows:

To ensure smooth progress of further operation schemes of Fuchuan Mining, a joint venture of the Company, the 2018 annual general meeting of the Company has considered and approved the provision of financing guarantee by the Company to Fuchuan Mining within a total amount of not more than RMB800 million. The validity term for the amount will expire on the date of convening the AGM. Fuchuan Mining provides counter guarantee for the aforesaid guarantee of the Company with its mining rights of Shangfanggou molybdenum mine (Certificate No.: C1000002011073120115610).

LETTER FROM THE BOARD

Fuchuan Mining is currently promoting its re-production and improvement of production capacity in an orderly manner, and to ensure the use of its operating capital, the Company proposes to apply for the extension of the aforesaid guarantee for a period ending on the date of convening the 2021 annual general meeting, and proposes to the AGM to authorise the Board to decide and deal with matters in relation to the provision of financing guarantee by the Company to its joint venture Fuchuan Mining, and the provision of counter guarantee by Fuchuan Mining for the aforesaid guarantee of the Company with its mining rights of Shangfanggou molybdenum mine (Certificate No.: C1000002011073120115610). The proposed authorisation allows the Chairman of the Board or its authorised persons under the delegation of the authorisation of the Board, to decide and deal with such authorization at full discretion as the time when the Board obtains the following authorization at the AGM.

Details of the authorization include:

- (1) to determine and deal with matters relating to the provision of financing guarantee by the Company to its joint venture Fuchuan Mining within the amount of RMB800 million (or equivalent amount in foreign currency). Such amount could be used cyclically and its validity period shall commence on the date of the approval by the Shareholders at AGM and end on the date of convening of the 2021 annual general meeting;
- (2) to decide and implement the specific plans relating to the provision of financing guarantee by the Company to Fuchuan Mining according to the specific circumstances, including the amount of a single guarantee, guarantee period, guarantee method, etc.;
- (3) to perform the approval procedures (if any) relating to the aforesaid financing guarantee and timely conduct information disclosure, according to the requirements of the SSE, the Hong Kong Stock Exchange and other relevant regulatory authorities; and
- (4) to deal with all other matters relating to the aforesaid financing guarantee.

A special resolution regarding the consideration and approval of the proposal in relation to the extension for the provision of financing guarantee by the Company to its joint venture within an amount of not more than RMB800 million will be proposed at the AGM. Given that Luoyang Mining Group Co., Ltd. (洛陽礦業集團有限公司), a substantial shareholder of the Company holding 5,329,780,425 shares of the Company which account for approximately 24.68% of the Company's total share capital, indirectly controls 45% interest in Fuchuan Mining, therefore it shall abstain from voting for the above-mentioned resolution.

The provision of financing guarantee under this resolution, if being approved by the Shareholders at the AGM and materialized, is expected to constitute a connected transaction of the Company under the Chapter 14A of the Hong Kong Listing Rules. The Company will make further announcement(s) and comply with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules in accordance with the Hong Kong Listing Rules as and when necessary.

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8. PROPOSED GENERAL MANDATE FOR ISSUE OF DEBT FINANCING INSTRUMENTS

As stated in the overseas regulatory announcement of the Company dated 27 March 2020, the Company convened the eighth meeting of the fifth session of the Board on 27 March 2020, and considered and approved the proposal in relation to the approval of mandate to the Board to decide on issuance of debt financing instruments, details of which are as follows:

To satisfy the production and operation needs of the Company as well as the infrastructure and operation needs of domestic or overseas projects, replenish working capital, reduce capital cost and make use of favorable opportunities in a timely manner, it is proposed to the AGM to grant a general and unconditional mandate to the Board and then delegate to the Chairman of the Board and his authorised person(s) to determine the following specific issue matters within the scope of available debt financing instruments in accordance with relevant laws and regulation, Articles of Association and the actual conditions:

(I) Major Terms of the Issue of Debt Financing Instruments

1. **Type of the debt financing instruments:** The relevant debt financing instruments include but not limited to short-term financing bonds, super-short term financing bonds, medium term notes, non-public targeted debt financing instruments, corporate bonds, company bonds, A share or H share convertible bonds, offshore RMB bonds and foreign currency bonds, perpetual bonds and other domestic and offshore debt financing instruments denominated in RMB or foreign currency permitted by competent regulatory authority.
2. **Size of Issue:** The issue size of the domestic and offshore debt financing instruments of this mandate shall not be more than RMB26 billion or equivalent amount in foreign currency (calculated based on the outstanding payable balance after the issue, while for the issue denominated in a foreign currency, calculated based on median discount price published by the People's Bank of China on the date of such issue), which can be issued either one-off or in tranches within the definite validity period.
3. **Currency of Issuance:** The currency of issuance shall be determined based on the review and approval results of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of the issuance, which may be RMB or foreign currency debt financing instruments.

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4. **Term and interest rate:** The maximum term shall be no more than 30 years, which is applicable to a single-term type or a combination of types with multiple terms. The specific composition of terms, size of issue and interest rate of each type with different terms shall be determined based on the relevant requirements and the market conditions by the Board or the Chairman of the Board and his authorised persons.
5. **Issuer:** The issuer shall be the Company or a domestic or offshore wholly-owned subsidiary or a special purpose vehicle of the Company, and in the case of a domestic or offshore wholly-owned subsidiary or a special purpose company of the Company as the issuer of the debt financing instruments, the Company can provide guarantees (including the guarantee provided to the issuer of the debt financing instrument itself and/or such guarantee provided by the Company) to such subsidiaries or special purpose company within the issue size of its debt financing instruments, issue a keep-well agreement or adopt third party credit enhancement conventional methods.
6. **Use of Proceeds:** The proceeds to be raised from the proposed issuance of the debt financing instruments are intended to be used towards meeting the demand of the Company's daily operations, financing domestic and overseas infrastructure projects, repaying loans, replenishing its working capital and/or other investment acquisition purposes, and the specific use of proceeds shall be determined by the Board or the Chairman of the Board and his authorised persons according to the capital needs of the Company from time to time.
7. **Method of Issue:** Method of issuance shall be determined based on the review and results of issuance approval of debt financing instruments and the domestic and overseas bond market conditions at the time of the issuance of debt financing instruments.
8. If A Share or H Share convertible bonds are to be issued, the principal of each single issuance shall not exceed RMB10 billion (or equivalent amount in foreign currency), and upon the request of share conversion applied by holders of convertible bonds, the new A Shares or H Shares generated thereof may be issued under the relevant general mandate considered and approved at the AGM.
9. The debt financing instruments to be issued are proposed to be listed on the Inter-bank Bond Market, the SSE, the Hong Kong Stock Exchange or other domestic or foreign exchanges.

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(II) Matters in Relation to the Mandate of Issue of Debt Financing Instruments

1. It is proposed to the AGM to grant a general and unconditional mandate to the Board and then delegate to the Chairman of the Board and his authorised person(s) to decide and deal with all matters relating to the issue of the debt financing instruments at full discretion under the premise of requirement of relevant laws and regulations in accordance with the demands of the Company from time to time and the market conditions, including but not limited to:
 - (a) determining and implementing the specific proposal of the issue of debt financing instruments, including but not limited to the establishment and determination of the appropriate issuer, the type of the debt financing instruments to be issued, the method of issue, currency, the nominal value of the debt financing instruments, price of issue, the size of issue, interest rate of issue or its determination mechanism, the markets for issue, the timing of issue, the term of issue, issue in instalments and number of tranches (if applicable), sale back clause and redemption clause (if applicable), rating, guarantees (if applicable), repayment period, conversion price, use of proceeds, placing, underwriting and all matters in respect of the issue of debt financing instruments.
 - (b) carrying out all necessary and ancillary actions and procedures in relation to the issue of debt financing instruments, including but not limited to, select and engage intermediary institutions, handle all approval, registration and filing procedures with the relevant regulatory authorities in connection with the issuance on behalf of the Company, execute all necessary documents for the issuance, select trustee(s) for the issue of debt financing instruments, formulate rules for meetings of the holders of the bonds, deal with any related disclosure in accordance with the applicable laws and regulations and requirements from regulatory authorities, and deal with any other matters in connection with the bond issuance and trading.
 - (c) subject to the authorization at the AGM, if there are changes in the regulatory policies or market conditions, correspondingly revising the specific proposals and terms of the proposal for the issue of debt financing instruments in due course in accordance with the view of regulatory authorities or in the event that there are changes in the then market conditions, except for matters that require approval at the general meeting of the Company in respect of relevant laws, regulations and the Articles of Association.

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- (d) deciding and dealing with all relevant matters in connection with the proposed listing of debt financing instruments to be issued on the Inter-bank Bond Market, the SSE, the Hong Kong Stock Exchange or other domestic or foreign exchanges according to the market conditions.
- 2. To further delegate the authorization granted by the Shareholders at the AGM to the Board and then to delegate to the Chairman of the Board and his authorised person(s) to execute all matters in connection with the issue of debt financing instruments based on the Company's needs and other market conditions upon approval and authorization in respect of the above matters at the AGM.
- 3. To authorise the Chairman of the Board and his authorised person(s) to approve, execute and dispatch relevant documents, announcements and circulars and make information disclosure in accordance with the applicable rules and regulations of the relevant jurisdictions where the securities of the Company are listed.

(III) Term of the Issue of Debt Financing Instrument

The mandate of the issue of the debt financing instruments shall be effective from the date of approval at the AGM to the date of convening the 2020 annual general meeting.

If the Board or the Chairman of the Board and his authorised person(s) have resolved to issue the debt financing instruments within the validity term of the mandate and the Company has also obtained the approval, permission or registration (if applicable) for the issuance from the competent regulatory authorities within the validity term of the mandate, the Board or the Chairman of the Board and his authorised person(s) may complete the issue of such debt financing instruments within the validity term of such approval, permission or registration.

A special resolution regarding the consideration and approval of the proposal in relation to the general mandate to the Board to decide on issuance of debt financing instruments will be proposed at the AGM.

9. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 27 March 2020 in relation to the proposed amendments to the Articles of Association.

On 17 October 2019, the State Counsel of the People's Republic of China issued Reply of the State Council on Adjusting the Notice Period of the General Meeting of Shareholders Applying to Overseas Listed Companies and Other Matters (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》) and pursuant to the Reply, among others, the requirements on

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the notice period for convening a shareholders' meeting, shareholders' rights to make proposals and the procedures for convening general meeting for joint stock limited companies incorporated in the People's Republic of China and listed overseas are requested to equally apply the relevant provisions of the Company Law. As such, Articles 20 to 22 of the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) are no longer applicable.

Considering the new requirements of the Reply and according to the relevant provisions of the Company Law, the Company proposed to make certain amendments to the Articles of Association.

A special resolution regarding the consideration and approval of the proposal in relation to the amendments to the Articles of Association will be proposed at the AGM, Class Meeting of A Shareholders and Class Meeting of H Shareholders.

Details of the proposed amendments to the Articles of Association are set out in Appendix III to this circular.

10. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS OF THE COMPANY

Reference is made to the announcement of the Company dated 27 March 2020 in relation to the proposed amendments to the Rules of Procedure for Shareholders' General Meetings of the Company.

Considering the new requirements of the Reply and the proposed amendments to the Articles of Association according to the relevant provisions of the Company Law, the Company proposed to make certain amendments to the Rules of Procedure for Shareholders' General Meetings, as an appendix to the Articles of Association.

A special resolution regarding the consideration and approval of the proposal in relation to the proposed amendments to the Rules of Procedure for Shareholders' General Meetings of the Company will be proposed at the AGM, Class Meeting of A Shareholders and Class Meeting of H Shareholders.

Details of the proposed amendments to the Rules of Procedure for Shareholders' General Meetings of the Company are set out in Appendix IV to this circular.

11. PROPOSED GENERAL MANDATE FOR ISSUE OF SHARES

As stated in the overseas regulatory announcement of the Company dated 27 March 2020, the Company convened the eighth meeting of the fifth session of the Board on 27 March 2020, and considered and approved the proposal in relation to the general mandate to the Board for issue of Shares.

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In view of the Company's development needs, the Board proposed a special resolution to grant to the Board the Share Mandate to issue, allot and deal with additional A Shares and H Shares or securities convertible into such shares, options, warrants or any similar rights which can subscribe for A Shares and/or H Shares (the "**Similar Rights**") not exceeding 20% of the number of each class of such Shares in issue, on the date of passing of the relevant resolution, details of which are as follows:

1. To grant a general and unconditional mandate to the Board and then to delegate to the Chairman of the Board and his authorised person(s) by the Board or the Similar Rights to determine separately or jointly allot, issue and deal with A Shares and/or H Shares (the issue of A Shares shall still be subject to the approval of Shareholders at the general meeting of the Company in accordance with the relevant regulations of the PRC) and the terms and conditions for the allotment, issuance and dealing of new Shares, including but not limited to:
 - (a) class and number of new Shares to be issued;
 - (b) price determination method of new Shares and/or issue price (including price range);
 - (c) the starting and closing dates for the issue;
 - (d) class and number of the new Shares to be issued to existing shareholders; and/or
 - (e) the making or granting of offers, agreements, options and conversion which might require the exercise of such powers.
2. The numbers of A Shares or H Shares (excluding Shares issued in form of capital conversion from capital reserve) to be separately or jointly allotted, issued and dealt with (whether pursuant to an option or otherwise) pursuant to the Share Mandate, shall not exceed 20% of the A Shares or H Shares in issue at the time when the resolution proposed for approval of the Share Mandate is passed at the AGM, Class Meeting of A Shareholders and Class Meeting of H Shareholders, respectively, by the Board or the Chairman of the Board and his authorised person(s).
3. If the Board or the Chairman of the Board and his authorised person(s) have resolved to allot, issue and deal with A Shares and/or H Shares or the Similar Rights within the Relevant Period as defined below, and the Company has also obtained the relevant approval, permission or registration (if applicable) from the competent regulatory authorities within the validity term of the Share Mandate, the Board or the Chairman of the Board and his authorised person(s) may complete the relevant allotment, issuance and dealing works within the validity term of such approval, permission or registration.

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4. To grant the Board or the Chairman of the Board and his authorised person(s) to obtain approvals from the relevant government authorities and/or regulatory authorities (if applicable) in accordance with applicable laws (including but not limited to the Company Law, the Hong Kong Listing Rules and the Listing Rules of the SSE) for the exercising of the Share Mandate.
5. The Share Mandate will become effective from the date of passing of the resolution proposed for approval of the Share Mandate at the AGM, Class Meeting of A Shareholders and Class Meeting of H Shareholders until the earlier of (the “**Relevant Period**”):
 - (a) the expiration of 12 months from the date of passing of the resolution proposed for approval of the Share Mandate at the AGM, Class Meeting of A Shareholders and Class Meeting of H Shareholders;
 - (b) the conclusion of 2020 annual general meeting; and
 - (c) the revocation or amendment of the Share Mandate granted under the resolution proposed for approval of the Share Mandate by the approval of special resolution at a general meeting by Shareholders.
6. To grant the Board or the Chairman of the Board and his authorised person(s) to approve, execute and make or procure to execute and make any documents, deeds and matters, complete necessary formalities, adopt other necessary actions in connection with the allotment, issuance and dealing of any new Shares in accordance with the Share Mandate as considered fit.
7. To grant the Board or the Chairman of the Board and his authorised person(s) to increase the registered capital of the Company and to make appropriate and necessary amendments to the Articles of Association after completion of the allotment and issuance of new Shares according to the method, type and number of the allotment and issuance of new Shares by the Company, and the then shareholding structure of the Company.

As at the Latest Practicable Date, the Company had an aggregate of 21,599,240,583 Shares in issue, comprising 3,933,468,000 H Shares and 17,665,772,583 A Shares. Subject to the passing of the proposed resolution in relation to the general mandate for issue of Shares, the Company will be allowed to issue, allot and deal with up to a maximum of 4,319,848,116 Shares (comprising 786,693,600 H Shares and 3,533,154,516 A Shares), representing 20% of the Shares in issue on the date of the passing of such resolution, on the basis that no further Shares will be issued by the Company prior to the AGM.

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

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

A special resolution regarding the consideration and approval of the proposal in relation to the general mandate for issue of Shares will be proposed at the AGM, Class Meeting of A Shareholders and Class Meeting of H Shareholders.

12. PROPOSED GENERAL MANDATE FOR REPURCHASE OF H SHARES

As stated in the overseas regulatory announcement of the Company dated 27 March 2020, the Company convened the eighth meeting of the fifth session of the Board on 27 March 2020, and considered and approved the proposal in relation to the general mandate to the Board 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 proposed a special resolution at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders 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 (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) merging with another entity holding its shares; (c) using shares for employee stock ownership plan or equity incentives; (d) purchasing the shares from dissent shareholders who opposes to a resolution of the shareholders' meeting on the combination or division of the company; (e) using shares for converting convertible corporate bonds issued by a listed company; or (f) protecting the corporate value and the rights and interests of shareholders by a listed company. The Articles of Association provide 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 above-mentioned purposes. H Shares repurchased under this general mandate can only be cancelled and the registered capital of the Company shall be reduced accordingly.

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

Such mandate is required to be given by way of special resolution 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 requirement 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 resolution by the Board and shall publish an announcement in a newspaper within 30 days after the passing of such resolution by the Board. Creditors then have the right within 30 days of receiving the notice from the Company or, if no such notice has been received, within 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 Class Meeting of A Shareholders and the Class Meeting of H Shareholders; (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 Class Meeting of A Shareholders and the Class Meeting of H Shareholders respectively to grant the Repurchase Mandate to the Board are set out in the special resolution no. 18 of the notice of AGM, the special resolution of the notice of Class Meeting of A Shareholders and the special resolution of the notice of Class Meeting of H Shareholders. 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.

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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 Appendix V to this circular.

13. AGM, CLASS MEETING OF A SHAREHOLDERS AND CLASS MEETING OF H SHAREHOLDERS

The Board proposed to seek the Shareholders' approval at the AGM to approve, among others: (i) the Financial Report and the Budget Report; (ii) the proposed distribution of the Final Dividend; (iii) the proposed purchase of structured deposit with internal idle fund; (iv) the proposed purchase of wealth management or entrusted wealth management products with internal idle fund; (v) the proposed provision of guarantee to wholly-owned subsidiaries; (vi) the proposed extension for provision of financing guarantee to a joint venture of the Company; (vii) the proposed general mandate for issue of debt financing instruments; (viii) the proposed amendments to the Article of Association; (ix) the proposed amendments to the Rules of Procedure for Shareholders' General Meetings of the Company; (x) the Proposed Share Mandate; and (xi) the Proposed Repurchase Mandate. The Board also proposed to seek the approval from A Shareholders and H Shareholders at the Class Meeting of A Shareholders and the Class Meeting of H Shareholders respectively to approve (i) the proposed amendments to the Article of Association; (ii) the proposed amendments to the Rules of Procedure for Shareholders' General Meetings of the Company; (iii) the Proposed Share Mandate; and (iv) the Proposed Repurchase Mandate.

Notices convening the AGM and the Class Meeting of H Shareholders to be held at Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC on Friday, 12 June 2020 are set out on pages AGM-1 to NOTICE-8 of this circular and have been dispatched to the Shareholders on 24 April 2020. The forms of proxy and reply slips for use in connection with the AGM and the Class Meeting of H Shareholders have also been dispatched to the Shareholders together with the notices on the same day.

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 2019 Work Report of Independent Directors of the Company is set out in Appendix II to this circular for Shareholders' information.

14. PROXY ARRANGEMENT

Forms of proxy applicable to the AGM and the H Shareholders' Class Meeting have been dispatched to the Shareholders on 24 April 2020 and such forms of proxy are also published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cmoc.com).

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For H Shareholders, whether or not you are able to attend the AGM and the Class Meeting of H Shareholders in person, you are requested to complete, sign and return the reply slips and forms of proxy applicable to the AGM and the Class Meeting of H Shareholders in accordance with the instructions printed thereon. For H Shareholders, the forms of proxy applicable to the AGM and the Class Meeting of H Shareholders should be returned to the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 1:00 p.m. on Thursday, 11 June 2020 (or if the AGM and the Class Meeting of H Shareholders are adjourned, not less than 24 hours before the time appointed for holding the relevant meetings or any adjournments thereof (as the case may be)). Completion and return of the forms of proxy applicable to the AGM and the Class Meeting of H Shareholders will not preclude you from attending and voting in person at the AGM and the Class Meeting of H Shareholders or any adjournments thereof should you so wish.

H Shareholders who intend to attend the AGM and the Class Meeting of H Shareholders 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 meeting, i.e. before Friday, 22 May 2020 by hand, by post or by facsimile.

15. 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 Class Meeting of H Shareholders, the H Share Register of Members of the Company will be closed from Wednesday, 13 May 2020 to Friday, 12 June 2020 (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 at 4:30 p.m. on Tuesday, 12 May 2020 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 and the Class Meeting of H Shareholders, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Tuesday, 12 May 2020.

16. VOTING AT THE AGM

Pursuant to Rule 13.39 of the Listing Rules, any votes of the Shareholders at the AGM and the Class Meeting of H Shareholders 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 Class Meeting of H Shareholders in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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As at the Latest Practicable Date, given that Luoyang Mining Group Co., Ltd. (洛陽礦業集團有限公司), a substantial shareholder of the Company holding 5,329,780,425 shares of the Company which account for approximately 24.68% of the Company's total share capital, indirectly controls 45% interest in Fuchuan Mining, therefore it shall abstain from voting for the special resolution proposed at the AGM for consideration and approval for the extension of the provision of financing guarantee by the Company to its joint venture within an amount of RMB800 million. Save as disclosed above, to the knowledge of Directors, no Shareholder shall abstain from voting for the resolutions to be proposed at the AGM and Class Meeting of H Shareholders.

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.

17. RECOMMENDATIONS

The Directors are of the view that, the (i) the Financial Report and the Budget Report; (ii) the proposed distribution of the Final Dividend; (iii) the proposed purchase of structured deposit with internal idle fund; (iv) the proposed purchase of wealth management or entrusted wealth management products with internal idle fund; (v) the proposed provision of guarantee to wholly-owned subsidiaries; (vi) the proposed extension for provision of financing guarantee to a joint venture of the Company; (vii) the proposed general mandate for issue of debt financing instruments; (viii) the proposed amendments to the Article of Association; (ix) the proposed amendments to the Rules of Procedure for Shareholders' General Meetings of the Company; (x) the Proposed Share Mandate; and (xi) the Proposed Repurchase Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders (as the case maybe) as set out in the notices of AGM, Class Meeting of A Shareholders and H Shareholders' Class Meeting.

18. OTHER INFORMATION

Your attention is drawn to other sections of and appendices to this circular.

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

I. MAJOR FINANCIAL INFORMATION AND FINANCIAL INDICATORS

Unit: RMB'000

Major accounting information	2019	2018	Increase or decrease as compared with the same period of last year (%)
Operating revenue	68,676,565	25,962,863	164.52
Net profit attributable to shareholders of listed company	1,857,014	4,635,584	-59.94
Net profit after deduction of non-recurring profits or losses attributable to shareholders of listed company	746,685	4,560,179	-83.63
Net cash flow from operating activities	1,704,828	9,434,534	-81.93
Major accounting information	As at the end of 2019	As at the end of 2018	Increase or decrease as compared with the same period of last year (%)
Net assets attributable to the shareholders of listed company	40,802,774	40,948,874	-0.36
Total assets	116,862,226	101,216,117	15.46

Major financial indicators	2019	2018	Increase or decrease as compared with the same period of last year (%)
Basic earnings per share (“EPS”) (RMB per share)	0.09	0.21	-57.14
Basic EPS after deduction of non-recurring profits or losses (RMB per share)	0.03	0.21	-85.71
Weighted average return on net assets (%)	4.54	11.72	Decreased by 7.18 percentage points
Weighted average return on net assets after deduction of non-recurring profits or losses (%)	1.85	11.54	Decreased by 9.69 percentage points

II. COMPLETION OF MAJOR ESTIMATED INDICATORS

1. Mineral Exploration and Processing

(1) Copper and cobalt sector

During the year 2019, TFM Copper and Cobalt Mine achieved a production volume of 177,956 tonnes of copper metal, representing a decrease of 3,890 tonnes or -2% as compared with 181,846 tonnes of the estimated volume.

It achieved a production volume of 16,098 tonnes of cobalt metal, representing a decrease of 1,137 tonnes or -7% as compared with 17,235 tonnes of the estimated volume.

(2) Molybdenum and tungsten sector

During the year 2019, the Company achieved a production volume of molybdenum metal of 14,918 tonnes, representing a decrease of 100 tonnes or -1% as compared with 15,018 tonnes of the estimated volume.

The Company achieved a production volume of tungsten metal of 10,722 tonnes (excluding Yulu Mining), representing an increase of 1,479 tonnes or 16% as compared with 9,243 tonnes of the estimated volume.

(3) *Niobium and phosphate sector*

During the year 2019, production of phosphate fertilizers in Brazil (high concentration fertilizer and low concentration fertilizer) reached 1,097,623 tonnes, representing a decrease of 101,247 tonnes or -8% as compared with 1,198,870 tonnes of the estimated volume.

The Company achieved a production volume of niobium metal of 7,489 tonnes, representing a decrease of 2,626 tonnes or -26% as compared with 10,115 tonnes of the estimated volume.

(4) *Copper and gold sector*

During the year 2019, where calculated based on 80% of equity interests, NPM copper and gold mine achieved a production volume of copper metal of 28,591 tonnes, representing a decrease of 1,733 tonnes or -6% as compared with 30,324 tonnes of the estimated volume.

The Company achieved a production volume of 19,781 ounces of gold, which reduced by 5,911 ounces or -23% as compared with 25,692 ounces of the estimated volume.

2. Mineral Trading

Upon the completion at July 2019 to the end of the Reporting Period, IXM has achieved a physical trading volume (sales volume) of metal minerals at 1,062,000 tonnes and of concentrate metal at 1,421,900 tonnes.

Please refer to the 2019 Annual Report of the Company for details.

CHINA MOLYBDENUM CO., LTD.
2019 WORK REPORT OF INDEPENDENT DIRECTORS

As the independent Directors of China Molybdenum Co., Ltd.* (hereinafter referred to as the “**Company**”), we have leveraged on our professional expertise and honestly, diligently, responsibly and independently performed the duties of independent Directors in strict compliance with the Company Law, the Securities Law, the Governance Code for Listed Companies, the Guidelines on the Establishment of Independent Directorship of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange 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 2019 is set out as follows:

I. BASIC INFORMATION

(i) Personal working experience, professional background and part-time situation

1. Mr. Wang Gerry Yougui (王友貴先生), born in May 1962, Hong Kong resident, Canadian citizen. Mr. Wang received his Bachelor’s degree in Navigation from Shanghai Maritime University in 1983 and was awarded his Master’s degree in International Economics and Management from the program sponsored by the United Nations Economic and Social Commission in 1986. In 1993, he obtained his Master of Science degree in Business Administration from the University of British Columbia (Vancouver) in Canada. Mr. Wang was the Company Secretary & Business Development Deputy Manager at China Merchants Group from 1986 to 1989. He joined Seaspan Canada in 1990 and founded its containership business. In 2005, Mr. Wang successfully took Seaspan’s containership business public, trading on the New York Stock Exchange as SSW. The offering was the largest shipping IPO in North America history. Mr. Wang worked as the Chief Executive Officer and Co-chairman for 12 years, making it the largest company of containership business in the world. Mr. Wang retired from Seaspan at the end of 2017 to turn his focus on developing new business ventures in Asia. Late on Mr. Wang founded the Tiger Gas Group (Tiger Clean Energy). Mr. Wang was named 2016 the Most Influential Person of Shipping in the world. Mr. Wang is serving as a consultant of Hong Kong and China region of the University of Pennsylvania in Asia, and is also as an expert in shipping economy for BLOOMBERG TV and CNBC.

2. Ms. Yan Ye (嚴冶女士), born in May 1958, holds a degree of Master of Laws and is a registered lawyer. Ms. Yan graduated from the faculty of law in Peking University in 1982 with a bachelor's degree in law specialising in politics and law. She received a master's degree in civil law from the faculty of law of Renmin University of China in 1984. She served as a lecturer and associate professor of the school of law of the Party School of the Central Committee of C.P.C. from 1984 to 1994. She served as a lawyer in Shaanxi Xiehui Law Firm from 1994 to 2003 and served as a lawyer in Shaanxi Win Law Firm from 2003 to 2008 and has served as a lawyer and a partner in Shaanxi Yanfeng Law Firm since 2008.
3. Mr. Li Shuhua (李樹華先生), born in 1971, obtained a bachelor's degree in management majoring in auditing from Southwest University in 1993, a master's degree in economics majoring in accounting from Xiamen University in 1996, and a doctor's degree in management majoring in accounting from Shanghai University of Finance and Economics in 1999. During 2002 and 2004, he pursued his postdoctoral research in Finance and Law in Peking University, and obtained a Finance Executive Master of Business Administration (EMBA)'s degree from Shanghai Advanced Institute of Finance during 2013 and 2015. He served consecutively as director-level clerk of general office division, deputy division director of auditing division, deputy division director of general office division, division director of financial budgeting management division and division director of general office division of accounting department in CSRC during 1999 and 2010. During 2010 and 2018, he had worked for China Galaxy Securities Co., Ltd. and acted as Chief Risk Officer/Chief Compliance Officer and member of the Executive Committee. Since February 2018, he has been concurrently serving as a chair professor of practice at Xiamen National Accounting Institute and Renmin University of 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 FOR THE YEAR

Since our appointment 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.

(I) Attendance at meetings during the Reporting Period

	Attendance in Person/Required Attendance						
	Meetings of the						
	Meetings of	Meetings of	Nomination	Meetings of the			
	the Board	the Audit and	and	Strategic and	General	Other	
	Remuneration	Risk	Governance	Sustainability	Meetings	meetings	
	Committee	Committee	Committee	Committee			
Mr. Wang Gerry Yougui	10/11	1/1	N/A	1/1	1/1	3/7	3/3
Ms. Yan Ye	11/11	N/A	5/5	1/1	N/A	6/7	3/3
Mr. Li Shuhua	11/11	1/1	5/5	1/1	N/A	3/7	3/3

Note: Other meetings include special meetings of independent Directors, special meetings of independent Directors, Chairman and non-executive Directors, communication meetings of the Audit and Risk Committee and the auditors attended by the independent Directors.

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. As for the matters to be submitted to the Board and Board committees for consideration, we made adequate preparation prior to meetings, and earnestly read relevant documents, actively acquired relevant information, listened to proposal presentation in details, and expressed relevant independent opinions and review opinions. After meeting, we ensured strict implementation through effective supervision over execution.

Prior to the date of this report, we also attended the special meeting of independent Directors, the special meeting of Chairman and non-executive Directors and the communication meeting of the Audit and Risk Committee and the auditors, and conducted adequate exchange and communication in respect of corporate governance, strategies, internal control, audit, etc., respectively.

We are of the view that the Board meetings convened by the Company for the year 2019 were in compliance with legal procedures, all major matters of operational decisions and other material matters were performed in accordance with relevant procedures and were legitimate and valid, and all resolutions did not impair the rights and interests of Shareholders, in particular, minority Shareholders. We voted in favor of all relevant resolutions considered by the Board, and raised no objection against other matters of the Company.

(II) Expression of independent opinions

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 expressed 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 expressed by us are set out as follows:

No.	Date	Issues involved in independent opinions	Opinion type
1	18 January 2019	Matters relating to the acquisition of 100% interest in BHR Newwood DRC Holdings Ltd.	Agree
2	11 March 2019	Matters relating to the provision of guarantee by the Company to its indirectly controlled wholly-owned subsidiaries.	Agree
3	28 March 2019	<p>Matters in respect of re-appointment of the external auditor for the year 2019 and matters in respect of the connected transactions for the year of 2018 and the estimated daily connected transactions for the year of 2019;</p> <p>Matters in respect of self-evaluation report on internal control for the year 2018;</p> <p>Matters in respect of bonus distribution of the Company for the year 2018;</p> <p>Matters in respect of provision of guarantee to the direct or indirect wholly-owned subsidiaries;</p> <p>Matters in respect of the purchase of structured deposits with internal idle fund;</p> <p>Matters in respect of the purchase of wealth management or entrusted wealth management products with internal idle fund;</p> <p>Special explanation on external guarantee by the Company.</p>	Agree

No.	Date	Issues involved in independent opinions	Opinion type
4	26 April 2019	Relevant matters in relation to the purchase of 100% interest of IXM B.V. with material assets of the Company and the return plan of China Molybdenum Co., Ltd. to its shareholders for the next three years (2019 to 2021).	Agree
5	17 May 2019	Matters in respect of the proposed provision of financing guarantee by the Company to its joint venture within an amount of RMB800 million.	Agree
6	19 June 2019	Matters in respect of changes in the trading framework of the acquisition of 100% interest of BHR Newwood DRC Holdings Ltd.	Agree
7	8 November 2019	Matters in respect of the investment in and provision of guarantee to PT.Huayue Nickel Cobalt.	Agree
8	6 December 2019	Matters in respect of the financing guarantee between direct or indirect wholly-owned subsidiaries of the Company; Matters in respect of the provision of supply chain financing guarantee by IXM (an indirect wholly-owned subsidiary of the Company) to suppliers.	Agree

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

The Company has provided us with the necessary conditions to perform our duties according to the regulatory requirements of mainland China and Hong Kong where the Company is listed.

1. The office of the Board of the Company regularly provided us with monthly summary reports on the Company's operation and training materials of laws and regulations;
2. 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 rights of independent Directors to know;
3. Prior to giving our independent opinions, the Company was able to provide the intermediaries with professional 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;

4. The Company delivered to us the information of general meetings, Board meetings and meetings of specialized committees for our review and inspection in a timely manner;
5. 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

We are of the view that the connected transactions in which the Company was involved fall within the scope of normal business and were necessary for future production and operation, which will subsist. The transactions are fair and legitimate without prejudice to the interests of the listed company and Shareholders. The Company is independent from the connected parties in terms of business, personnel, finance, assets, organisations, etc. and the normal connected transactions would have no impact on the independence of the Company.

According to relevant laws and regulations, including the Governance Code of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Articles of Association, we earnestly reviewed connected transactions in the daily production and operation activities and expressed the following opinions on daily connected transactions of the Company for the year 2019:

1. Daily connected transactions of the Company for the year 2019 were in compliance with relevant provisions and requirements of relevant laws and regulations and the Articles of Association, and decision making procedures were legitimate and valid;
2. We are of the view that the connected transactions in which the Company was involved fall within the scope of normal business and were necessary for future production and operation, which will subsist. The transactions are fair and legitimate without prejudice to the interests of the Company and Shareholders. The Company is independent from the connected parties in terms of business, personnel, finance, assets, organisations, etc. and the daily connected transactions would have no impact on the independence of the Company;
3. We agreed to the estimates in relation to daily operation connected transactions of the Company for the year 2020.

APPENDIX II 2019 WORK REPORT OF INDEPENDENT DIRECTORS

(II) External guarantee and funds occupation

1. External Guarantee of the Company

Unit: RMB thousand

Guarantor	Relationship of the guarantor with the Company	Guaranteed party	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 overdue	Overdue amount of guarantee	With counter guarantee or not	Whether or not the guarantee is provided to the Related parties
The Company	Headquarter of the Company	Fuchuan Mining	300,000.00	27 September 2019	27 September 2019	27 September 2020	Joint liability	No	No	0	Yes	Yes
The Company	Headquarter of the Company	Fuchuan Mining	100,000.00	16 December 2019	16 December 2019	16 December 2020	Joint liability	No	No	0	Yes	Yes
The Company	Headquarter of the Company	Fuchuan Mining	100,000.00	20 December 2019	20 December 2019	20 December 2020	Joint liability	No	No	0	Yes	Yes
The Company	Headquarter of the Company	Fuchuan Mining	50,000.00	18 December 2019	18 December 2019	18 December 2020	Joint liability	No	No	0	Yes	Yes
The Company	Headquarter of the Company	Fuchuan Mining	50,000.00	16 December 2019	16 December 2019	16 December 2020	Joint liability	No	No	0	Yes	Yes
IXM PTE. LTD./Wholly-owned subsidiary		Yanggu Xiangguang Copper Co., Ltd	17,440.50	17 October 2019	17 October 2019	17 April 2020	Joint liability	No	No	0	No	No

Total guarantee incurred during the reporting period (excluding those provided to subsidiaries)	617,440.50
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Total balance of guarantee as at the end of the reporting period (A) (excluding those provided to subsidiaries)	617,440.50
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Guarantees given by the Company and its subsidiaries for its subsidiaries

Total guaranteed amount for subsidiaries during the Reporting Period	3,259,052.00
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Total balance of the guaranteed amount for subsidiaries at the end of the Reporting Period (B)	31,811,543.98
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Total guarantee given by the Company (including the guarantees for subsidiaries)

Total guaranteed amount (A+B)	32,428,984.48
Percentage of the total guaranteed amount to absolute net assets of the Company (%)	79.48
Among which:	
Guaranteed amount provided to the Shareholders, the de facto controller and its connected parties (C)	600,000.00
Guaranteed amount directly or indirectly provided on liabilities to guaranteed targets with gear ratio of over 70% (D)	8,945,893.16
Excess amount of guarantee with total amount exceeding 50% of net assets (E)	12,027,597.41
Total of the above three guaranteed amounts (C+D+E)	20,973,490.57

Description on guarantee	C represents that the Company provides guarantee to its joint venture Fuchuan Mining;
	D represents that the Company provides guarantee to its joint venture Fuchuan Mining and IXM provides guarantee to its wholly-owned subsidiaries.
	The guarantee provided by the Company to its joint venture Fuchuan Mining satisfies both C and D, for which the aggregate guarantee amount will calculate only once.

2. Fund Occupancy of the Company

We have conducted earnest study and review on the fund occupancy by connected parties of the Company for the year of 2019 as well as the accumulated and current external guarantee of the Company in accordance with the Notification on Standardizing External Guarantee Behavior of Listed Companies, the Notification on Standardizing the Capital Transfer between Listed Companies and Related Parties and on Certain Issues of External Guarantee of Listed Companies and the Articles of Association, and confirmed that there was no occupancy of fund by controlling shareholders and their connected parties of the Company in 2019.

(III) Preliminary results announcement and results updates

On 23 January 2020, the Company issued the Announcement on Estimated Profit Decrease for the Annual Results 2019 of China Molybdenum Co., Ltd.. The disclosure of estimated results was in compliance with relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

(IV) Appointment or change of auditors

In 2019, the Company appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP as its external auditor, and the Company did not change its accounting firm.

(V) Cash dividends and other returns to investors

On 17 June 2019, the 2018 profit distribution plan was considered and approved at the 2018 annual general meeting of the Company. The particulars of the profit distribution were as follows: the Company distributed a total cash dividend of RMB2,375,916,464.13 (RMB0.110 per Share (tax inclusive)) based on the total share capital of 21,599,240,583 shares of the Company before implementation of the plan. The said profit distribution plan had been completely implemented.

We are of the view that the above-mentioned matters of the Company complied with the provisions of the Company Law, the Articles of Association and the relevant laws and regulations.

(VI) Performance of undertakings of the Company and its Shareholders

During the year of 2019, 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.

(VII) Execution of information disclosures

During the year of 2019, 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.

(VIII) Execution of internal control

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, to optimize and revise the internal control document of the Company based on the evaluation results and the actual operation. We have carefully verified the internal control system of the Company, and reviewed the 2019 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 2019 Self-Evaluation Report on Internal Control objectively and truly reflected the establishment and operation of the internal control system of the Company.

(IX) 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 2019, the Directors, Supervisors and senior management of the Company attended various trainings 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 Section of Corporate Governance of Annual Report. During the year 2019, 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 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 section of Corporate Governance of Annual 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 the Company's 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.

(X) Operation of the Board and its specialized committees

During the year 2019, 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 their respective duties and terms of reference.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

During the term of office in 2019, as independent Directors of the Company, we could be in compliance with relevant provisions of laws, regulations and the Articles of Association in view of actively attending the Board meetings of the Company, and earnestly considering all relevant matters considered by the Board, 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, performed the function of independence of independent Directors, 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 2020, we will perform our duties with independence, objectiveness and fairness by adhering to the principles of being earnest, responsible, prudent and diligent, made use of our professional knowledge and experience to provide opinions and recommendations for the development of the Company, and provide reference for the decision-making of the Board to firmly safeguard the legal interests of the Company and all of our investors, especially of the minority Shareholders and continuously enhance the scientific decision-making ability and leadership of the Board to promote the sustainable and sound development of the Company. May CMOC have a brighter future!

Independent Directors of the fifth session of the Board of CMOC:

Wang Gerry Yougui, Yan Ye, Li Shuhua

27 March 2020

Details of the amendments to the Articles of Association are as below:

(1) ARTICLE 49

Currently reads as follows:

“No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a shareholders’ general meeting or 5 days prior to the reference date set by the Company for the purpose of distribution of dividends.”

It is proposed to be amended to:

“Provided that laws, administrative regulations, department rules, normative documents and relevant stock exchanges or regulatory authorities at the location where the Company’s shares are listed have provisions in relation to the period of suspension of register of shares before the general meeting of shareholders or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.”

(2) ARTICLE 78

Currently reads as follows:

“When the Company is to hold a shareholders’ general meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of the matters to be examined at the meeting as well as the date and place of the meeting. Shareholders that intend to attend the shareholders’ general meeting shall, within 20 days prior to the meeting, deliver a written reply to the Company on the meeting attendance.

When the Company calculates the commencement of a period, it does not include the day the meeting is held.”

It is proposed to be amended to:

“When the Company is to hold a shareholders’ general meeting, it shall inform all shareholders by way of announcement 20 business days (excluding the date of issuance of notice of the meeting and the date of convening the meeting) prior to the annual general meeting; and it shall inform all shareholders by way of announcement 15 days or 10 business days (excluding the date of issuance of notice of the meeting and the date of convening the meeting), whichever is longer, prior to the extraordinary general meeting.”

(3) ARTICLE 79

Currently reads as follows:

“Based on the written replies received 20 days prior to a shareholders’ general meeting, the Company shall calculate the number of voting shares represented by the shareholders intending to attend the meeting. If the number of voting shares represented by the shareholders intending to attend the meeting is more than half of the total number of the Company’s voting shares, the Company may hold the shareholders’ general meeting. If not, the Company shall within five days, inform the shareholders once again of the matters to be examined at the meeting as well as the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the shareholders’ general meeting.

Extraordinary shareholders’ general meeting may not decide on matters not specified in the notice or announcement.”

It is proposed to be amended to:

“Extraordinary shareholders’ general meeting may not decide on matters not specified in the notice or announcement.”

(4) PARAGRAPH I (9) OF ARTICLE 80

Currently reads as follows:

“(9) it shall state the date of registration of shareholding of the shareholders, for determining those shareholders entitled to attend the shareholders’ general meeting;”

It is proposed to be amended to:

“(9) it shall state the date of registration of shareholding of the shareholders, for determining those shareholders entitled to attend the shareholders’ general meeting, and the interval between the date of registration of shareholding of the shareholders and the meeting shall be in compliance with the requirements of the relevant stock exchange or the regulatory authority at the location where the Company’s shares are listed;”

(5) PARAGRAPH II OF ARTICLE 82

Currently reads as follows:

“The public announcement referred to in the preceding paragraph shall be published 45 to 50 days before the meeting is held in one or more newspapers or periodicals designated by the securities regulatory authorities of the State Council. Once the announcement is made, all holders of domestic investment shares shall be deemed to have received the notice of the relevant shareholders’ general meeting. Where possible, the Chinese and English versions of such announcements shall be published on a major Chinese newspaper and an English newspaper in Hong Kong, respectively, on the same day.”

It is proposed to be amended to:

“The public announcement referred to in the preceding paragraph shall be published in accordance with the notice period as stipulated in the Articles of Association in one or more newspapers or periodicals designated by the securities regulatory authorities of the State Council. Once the announcement is made, all holders of domestic investment shares shall be deemed to have received the notice of the relevant shareholders’ general meeting. Where possible, the Chinese and English versions of such announcements shall be published on a major Chinese newspaper and an English newspaper in Hong Kong, respectively, on the same day.”

(6) ARTICLE 83

Currently reads as follows:

“A meeting and the resolutions adopted thereat shall not be invalidated as a result of accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.”

It is proposed to be amended to:

“Where the notice of general meeting is issued by the Company as required by the relevant stock exchange or the regulatory authority at the location where the Company’s shares are listed, a meeting and the resolutions adopted thereat shall not be invalidated as a result of accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.”

(7) PARAGRAPH I OF ARTICLE 89

Currently reads as follows:

“The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorised to vote or within 24 hours prior to the specified time of the vote. Where the instrument is signed by another person authorised by the entrusting party, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.”

It is proposed to be amended to:

“The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorised to vote or within 24 hours prior to the specified time of the vote. If the relevant stock exchange or the regulatory authority at the location where the Company’s shares are listed provides otherwise, such provisions shall prevail. Where the instrument is signed by another person authorised by the entrusting party, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.”

(8) ARTICLE 130

Currently reads as follows:

“When the Company is to hold a shareholders’ general meeting of different categories, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that category of the matters to be examined at the meeting as well as the date and place of the meeting. Shareholders that intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver a written reply to the Company on meeting attendance.

If the number of share carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that category carrying the right to vote at the meeting, the Company may hold the shareholders’ general meeting of different categories. If not, the Company shall within five days, inform the shareholders once again of the matters to be examined at the meeting and the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the shareholders’ general meeting of different categories.”

It is proposed to be amended to:

“When the Company is to hold a shareholders’ class meeting, it shall issue a notice with reference to Article 78 of the Articles of Association in respect of the requirements of the notice period of convening a general meeting to inform all the registered shareholders of that category of the matters to be reviewed at the meeting as well as the date and place of the meeting.

That the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class.”

(9) ARTICLE 153

Currently reads as follows:

“The notice of extraordinary meetings of the board of directors shall be delivered to all directors 5 days before the meetings are held.”

It is proposed to be amended to:

“The notice of extraordinary meetings of the board of directors shall be delivered to all directors 5 days before the meetings are held.

If an extraordinary meeting of the board of directors is required to be held as soon as possible under emergencies, a meeting notice may be issued within reasonable period by telephone or other oral means (but not subject to the time restriction of 5 days prior notice mentioned above), however, the convener shall make explanations at the meeting.”

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

Details of amendments to the Rules of Procedure for Shareholders' General Meetings of the Company are as below:

(I) ARTICLE 16

Currently reads as follows:

“A forty-five (45) days’ written notice for convening the general meeting shall be given to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve the written reply to the Company twenty (20) days prior to the date of the meeting.

The calculation of relevant time frame is exclusive of the date on which such meeting is held.”

It is proposed to be amended to:

“When the Company is to hold a shareholders’ general meeting, it shall inform all shareholders by way of announcement 20 business days (excluding the date of issuance of notice of the meeting and the date of convening the meeting) prior to the annual general meeting; and it shall inform all shareholders by way of announcement 15 days or 10 business days (excluding the date of issuance of notice of the meeting and the date of convening the meeting), whichever is longer, prior to the extraordinary general meeting.”

(II) ARTICLE 17

Currently reads as follows:

“The Company shall, based on the written replies received 20 days before the date of the general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of the Company’s total voting shares, the Company may hold the meeting; if not, the Company shall within 5 days notify the shareholders by public notice of the matters to be transacted at, the place and date for, the meeting and the Company may convene such meeting after making such announcement.

An extraordinary general meeting shall not transact matters not stated in the notice of meeting.”

It is proposed to be amended to:

“An extraordinary general meeting shall not transact matters not stated in the notice of meeting.”

(III) ARTICLE 18

Currently reads as follows:

“A notice of a general meeting shall meet the following criteria:

- (i) be in writing*
- (ii) specify the place, the form and the time of the meeting;*
- (iii) set out the matters to be considered at the meeting;*
- (iv) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such transaction must be properly explained;*
- (v) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager or other senior management members in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of other shareholders of the same class;*
- (vi) set out the full text of any special resolution proposed to be passed at the meeting;*
- (vii) contain a noticeable writing statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy needs not be a shareholder;*
- (viii) specify the time and place for lodging proxy forms for the relevant meeting;*
- (ix) contain the record date for shareholders who are entitled to attend the general meeting;*
- (x) contain the name and telephone number of the contact person for meeting affairs.”*

It is proposed to be amended to:

“A notice of a general meeting shall meet the following criteria:

- (i) be in writing;*
- (ii) specify the place, the form and the time of the meeting;*
- (iii) set out the matters to be considered at the meeting;*
- (iv) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such transaction must be properly explained;*
- (v) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager or other senior management members in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of other shareholders of the same class;*
- (vi) set out the full text of any special resolution proposed to be passed at the meeting;*
- (vii) contain a noticeable writing statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy needs not be a shareholder;*
- (viii) it shall state the date of registration of shareholding of the shareholders, for determining those shareholders entitled to attend the shareholders' general meeting, and the interval between the date of registration of shareholding of the shareholders and the meeting shall be in compliance with the requirements of the relevant stock exchange or the regulatory authority at the location where the Company's shares are listed;*
- (ix) specify the time and place for lodging proxy forms for the relevant meeting;*
- (x) contain the name and telephone number of the contact person for meeting affairs.”*

(IV) PARAGRAPH II OF ARTICLE 21

Currently reads as follows:

“The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the CSRC within the interval between forty-five (45) days and fifty (50) days before the date of the meeting.”

It is proposed to be amended to:

“The public announcement referred to in the preceding paragraph shall be published in accordance with the notice period as stipulated in the Rules For Shareholders’ General Meetings in one or more newspapers or periodicals designated by the CSRC.”

(V) PARAGRAPH I OF ARTICLE 27

Currently reads as follows:

“The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorised by the principal, the power of attorney or other authorization instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.”

It is proposed to be amended to:

“The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. If the relevant stock exchange or the regulatory authority at the location where the Company’s shares are listed provides otherwise, such provisions shall prevail. Where the proxy form is signed by a person authorised by the principal, the power of attorney or other authorization instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.”

(VI) ARTICLE 50

Currently reads as follows:

“A 45 days’ written notice convening a class meeting shall be given, to notify shareholders whose names appear in the register of shareholders of such class shares of the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply to the Company twenty (20) days prior to the date of the meeting.

If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of the Company’s total voting class shares at the meeting, the Company may hold the class meeting; if not, the Company shall within 5 days notify the shareholders by public notice of the matters to be transacted at, the place and date for, the meeting again. The Company may convene such a meeting after such announcement.”

It is proposed to be amended to:

“When the Company is to hold a shareholders’ class meeting, it shall issue a notice with reference to Article 16 of the Rules for Shareholders’ General Meetings in respect of the requirements of the notice period of convening a general meeting to inform all the registered shareholders of that category of the matters to be reviewed at the meeting as well as the date and place of the meeting.

That the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class”

The Rules of Procedure for Shareholders’ General Meetings are written in Chinese. The English version of the above articles is an unofficial translation of its Chinese version. In case of any inconsistency between the two versions, the Chinese version shall prevail.

This explanatory statement contains the information required under Rule 10.06(1)(b) of the Hong Kong Listing Rules. Its purpose is to provide the 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 RMB4,319,848,116.60 comprising 3,933,468,000 H Shares of RMB0.20 each and 17,665,772,583 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 Class Meeting of A Shareholders and the Class Meeting of H Shareholders, 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 AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders, 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, Class Meeting of A Shareholders and Class Meeting of H Shareholders, 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 Hong Kong Listing Rules, 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 2019 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:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
April	3.72	2.88
May	2.96	2.32
June	2.60	2.37
July	2.54	2.23
August	2.55	2.02
September	2.80	2.14
October	2.66	2.43
November	2.78	2.43
December	3.40	2.63
2020		
January	3.73	2.90
February	4.13	2.79
March	3.13	2.00
April (up to the Latest Practicable Date)	2.45	2.13

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 24.69% and 24.68% 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 25.15% and 25.13% 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 laws, 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.

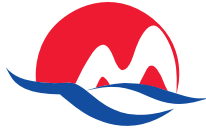
(II) Disposal of Shares Repurchased

Pursuant to the Hong Kong Listing Rules, 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, 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 THE ANNUAL GENERAL MEETING



CMOC

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**”) for the year 2019 will be held at Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the People's Republic of China (the “**PRC**”) on Friday, 12 June 2020 at 1:00 p.m. for the purposes of considering, and if thought fit, approving the following resolutions. In addition, a circular containing details of the following resolutions will be dispatched to the Shareholders in due course. Shareholders and potential investors should refer to the circular for further details of the resolutions below.

ORDINARY RESOLUTIONS

1. “To receive and consider the Proposal on the Financial Report and Financial Statements of the Company for the Year 2019.”
2. “To consider and approve the Proposal on the Budget Report of the Company for the Year 2020.”
3. “To consider and approve the Profit Distribution Plan of the Company for the Year 2019.”
4. “To receive and consider the Proposal on the Report of the Board of Directors of the Company for the Year 2019.”
5. “To receive and consider the Proposal on the Report of the Supervisory Committee of the Company for the Year 2019.”
6. “To receive and consider the Proposal on the Annual Report of the Company for the Year 2019.”

NOTICE OF THE ANNUAL GENERAL MEETING

7. “To consider and approve the Proposal on the Appointment of the External Auditors for the year 2020.”
8. “To consider and approve the Proposal on the Purchase of Structured Deposit with Internal Idle Fund.”
9. “To consider and approve the Proposal on the Purchase of Wealth Management or Entrusted Wealth Management Products with Internal Idle Fund.”

SPECIAL RESOLUTIONS

10. “To consider and approve the Proposal on Provision of Guarantee to Wholly-owned Subsidiaries.”
11. “To consider and approve the Proposal on Extension for the Provision of Financing Guarantee to a Joint Venture of the Company with no more than RMB800 million.”
12. “To consider and approve the Proposal on Proposing to the Annual General Meeting to Approve and Authorise the Board of Directors (the “**Board**”) of the Company to Decide on the Issuance of Debt Financing Instruments.”

ORDINARY RESOLUTION

13. “To consider and approve the Proposal on Forfeiture of Uncollected Dividend of H Shareholders for the Year 2012.”

SPECIAL RESOLUTIONS

14. “To consider and approve the Proposal on Amendments to the Articles of Association.”
15. “To consider and approve the Proposal on Amendments to the Rules of Procedure for Shareholders’ General Meetings of the Company.”

ORDINARY RESOLUTION

16. “To consider and approve the Proposal on the Authorization to the Board to deal with the Distribution of Interim Dividend and Quarterly Dividend for the Year 2020.”

NOTICE OF THE ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

17. “To consider and approve the Proposal on Proposing to the Shareholders’ General Meeting to Grant a General Mandate to the Board for Additional Issuance of A Shares and/or H Shares of the Company as follows:
- (a) To grant a general and unconditional mandate to the Board and then to delegate to the Chairman of the Board and his authorised person(s) by the Board to determine separately or jointly allot, issue and deal with A Shares and/or H Shares of the Company (not exceeding 20% of the outstanding Shares in issue as at the date of the passing of this resolution for each class of such Shares) and to grant rights to subscribe for, or convert any security into, Share (the issue of A Shares shall still be subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the general meeting of the Company in accordance with the relevant regulations of the PRC) and the terms and conditions for the allotment, issuance and dealing of new Shares, including but not limited to:
 - (i) class and number of new Shares to be issued;
 - (ii) price determination method of new Shares and/or issue price (including price range);
 - (iii) the starting and closing dates for the issue;
 - (iv) class and number of the new Shares to be issued to existing shareholders; and/or
 - (v) the making or granting of offers, agreements, options which might require the exercise of such powers.
 - (b) The numbers of A Shares or H Shares (excluding Shares issued in form of capital conversion from capital reserve) to be separately or jointly allotted, issued and dealt with (whether pursuant to an option or otherwise) pursuant to the share mandate, shall not exceed 20% of the A Shares or H Shares in issue at the time when this resolution is passed at the AGM, the Class Meeting of Holders of A Shares and the Class Meeting of Holders of H Shares, respectively, by the Board or the Chairman of the Board and his authorised person(s).

NOTICE OF THE ANNUAL GENERAL MEETING

- (c) If the Board or the Chairman of the Board and his authorised person(s) have resolved to allot, issue and deal with A Shares or/and H Shares within the Relevant Period as defined below, and the Company has also obtained the relevant approval, permission or registration (if applicable) from the competent regulatory authorities within the validity term of the share mandate, the Board or the Chairman of the Board and his authorised person(s) may complete the relevant allotment, issuance and dealing works within the validity term of such approval, permission or registration.
- (d) To grant the Board or the Chairman of the Board and his authorised person(s) to obtain approvals from the relevant government authorities and/or regulatory authorities (if applicable) in accordance with applicable laws (including but not limited to the Company Law of the PRC, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Listing Rules of the Shanghai Stock Exchange) for the exercising of the share mandate.
- (e) The Share Mandate will become effective from the date of passing of this resolution at the AGM, the Class Meeting of Holders of A Shares and the Class Meeting of Holders of H Shares until the earlier of (the “**Relevant Period**”):
 - (i) the expiration of 12 months from the date of passing of this resolution at the AGM, the Class Meeting of Holders of A Shares and the Class Meeting of Holders of H Shares;
 - (ii) the conclusion of 2020 annual general meeting; or
 - (iii) the revocation or amendment of the share mandate granted under this resolution by the approval of special resolution at a general meeting by Shareholders.
- (f) To grant the Board or the Chairman of the Board and his authorised person(s) to approve, execute and make or procure to execute and make any documents, deeds and matters, complete necessary formalities, adopt other necessary actions in connection with the allotment, issuance and dealing of any new Shares in accordance with the share mandate as considered fit.
- (g) To grant the Board or the Chairman of the Board and his authorised person(s) to increase the registered capital of the Company and to make appropriate and necessary amendments to the articles of association of the Company (the “**Articles of Association**”) after completion of the allotment and issuance of new Shares according to the method, type and number of the allotment and issuance of new Shares by the Company, and the then shareholding structure of the Company.”

NOTICE OF THE ANNUAL GENERAL MEETING

18. “To consider and approve the Proposal on the Grant of a General Mandate to the Board of the Company to Repurchase H Shares as follows:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Directors 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 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 A Shareholders’ Class Meeting (or on such adjourned date as may be applicable) and the H Shareholders’ Class Meeting (or on such adjourned date as may be applicable);
 - (ii) the approval of all the competent regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
 - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 27 of the Articles of Association;
- (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 2020 annual general meeting of the Company; or
 - (ii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the Shareholders at a general meeting, or a special resolution at their respective class meeting; and

NOTICE OF THE ANNUAL GENERAL MEETING

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

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

Luoyang City, Henan Province, the PRC, 24 April 2020

As at the date of this notice, the Company’s executive directors are Mr. Li Chaochun and Mr. Li Faben; the non-executive directors are Mr. Guo Yimin, Mr. Yuan Honglin, and Mr. Cheng Yunlei; and the independent non-executive directors are Mr. Wang Gerry Yougui, Ms. Yan Ye and Mr. Li Shuhua.

NOTICE OF THE ANNUAL GENERAL MEETING

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 2019 Work Report of Independent Directors of the Company will be set out in the circular to be dispatched in due course for Shareholders' information.
- (2) All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands pursuant to the Hong Kong Listing Rules. The results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Hong Kong Listing Rules.
- (3) H Shareholders who intend to attend the 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 Friday, 22 May 2020 by hand, by post or by facsimile. The contact details of the office of the Board at the Company's principal place of business in the PRC are set out in note (10) below.
- (4) Each H Shareholder who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the AGM. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. In case that an appointer 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 authorization, 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 authorization must be delivered to the Company's H Share registrar at the address stated in note (9) below by post or facsimile (for H Shareholders only), not later than 1:00 p.m. on Thursday, 11 June 2020 (or if the AGM is adjourned, not less than 24 hours before the time appointed for holding the adjournment AGM (as the case may be)). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the AGM or any adjournment should he/she so wish.
- (5) In order to determine the list of H Shareholders who will be entitled to attend and vote at the AGM, the register of members of H Shares of the Company will be closed from Wednesday, 13 May 2020 to Friday, 12 June 2020 (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 Tuesday, 12 May 2020 shall be entitled to attend and vote at the AGM. In order for the H Shareholders to qualify for attending and voting at the AGM, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Tuesday, 12 May 2020.

NOTICE OF THE ANNUAL GENERAL MEETING

- (6) In order to determine the list of H Shareholders who are entitled to receive the proposed final dividend, the register of members of H Shares of the Company will be closed from Thursday, 18 June 2020 to Tuesday, 23 June 2020 (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 on Tuesday, 23 June 2020 (i.e. the reference date) shall be entitled to receive the proposed final dividend. In order for the H Shareholders to qualify for receiving the proposed final dividend, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Wednesday, 17 June 2020.
- (7) Shareholders or their proxies must present proof of their identities upon attending the AGM. Should a proxy be appointed, the proxy must also present copies of his/her proxy form, or copies of appointing instrument and power of attorney, if applicable.
- (8) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of Shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the AGM.
- (9) The address and contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:
- 17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990/(+852) 2529 6087
- (10) The address and contact details of the Company's office of the Board at its principal place of business in the PRC are as follows:
- North of Yihe
Huamei Shan Road
Chengdong New District
Luanchuan County
Luoyang City
Henan Province
The People's Republic of China
Postal code: 471500
Telephone No.: (+86) 379 6860 3993
Facsimile No.: (+86) 379 6865 8017

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.

** For identification purposes only*

NOTICE OF THE ANNUAL GENERAL MEETING

PRECAUTIONARY MEASURES FOR THE GENERAL MEETING

In view of the continuous spread of the COVID-19 pandemic, to safeguard the Shareholders, Directors, proxies and other attendees against the risk of being infected, the following necessary precautionary measures will be implemented at the general meeting:

- (1) Each Shareholder, proxy and other attendee shall take compulsory temperature screening/check at the entrance of the venue of the general meeting.
- (2) All attendees shall wear surgical face masks throughout the general meeting and keep safe distance between seats, in which case we may set limitation on the number of attendees at the general meeting as necessary to avoid overcrowding.
- (3) No refreshment or drinks will be provided at the meeting.

For the safety of attendees at the general meeting, attendees who do not comply with the precautionary measures referred to in (1) and (2) above may be denied entry to, or required to leave, the general meeting venue, at the absolute discretion of the Company as permitted by law.

To meet the interests of health and safety of attendees, the Company would hereby encourage all Shareholders to exercise their rights to vote for relevant resolutions at the general meeting by appointing the Chairman of the general meeting as their proxy with the form of proxy, in which voting instructions are filled and completed, instead of attending the general meeting in person.

The notice accompanied with the form of proxy can also be downloaded at the website of the Company at www.cmoc.com. If you are a non-registered Shareholder whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited, you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If Shareholders have any questions relating to the matters to be considered at the general meeting, they are strongly encouraged to send their questions in writing by email to 603993@cmoc.com. Whilst the Company will endeavour to respond to all questions at the general meeting, due to time constraint, unanswered questions will be responded to after the general meeting as appropriate.

For Shareholders deciding not to attend the general meeting in person, if they have any questions relating to the resolutions or the Company, or any matters requiring communication with the Board of Directors, they are welcome to contact the Company through the investor relations department of the Company in the following ways:

Investor relations

Email: 603993@cmoc.com

Telephone: 86 0379 6860 3993

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NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS



CMOC

洛陽樂川鉬業集團股份有限公司

China Molybdenum Co., Ltd. *

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

(Stock Code: 03993)

NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 2020 first class meeting of H shareholders (the “**Class Meeting of H Shareholders**”) of China Molybdenum Co., Ltd.* (the “**Company**”) will be held immediately after the 2019 annual general meeting (the “**AGM**”) and the 2020 first class meeting of holders of A shares (the “**Class Meeting of A Shareholders**”) of the Company and any adjournments thereof, on Friday, 12 June 2020 at 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 purpose of considering and, if thought fit, passing the following resolution. In addition, a circular containing details of the following resolutions will be dispatched to the Shareholders in due course. Shareholders and potential shareholders should refer to the circular for further details of the resolutions below.

SPECIAL RESOLUTIONS

1. “To consider and approve the Proposal on Amendments to the Articles of Association.”
2. “To consider and approve the Proposal on Amendments to the Rules of Procedure of the Shareholders' General Meetings of the Company.”

NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS

3. “To consider and approve the Proposal on Proposing to the Shareholders’ General Meeting to Grant a General Mandate to the Board for Additional Issuance of A Shares and/or H Shares of the Company as follows:
- (a) To grant a general and unconditional mandate to the board of directors (the “**Board**”) of the Company and then to delegate to the Chairman of the Board and his authorised person(s) by the Board to determine separately or jointly allot, issue and deal with A Shares and/or H Shares of the Company (not exceeding 20% of the outstanding Shares in issue as at the date of the passing of this resolution for each class of such Shares) and to grant rights to subscribe for, or convert any security into, Share (the issue of A Shares shall still be subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the general meeting of the Company in accordance with the relevant regulations of the PRC) and the terms and conditions for the allotment, issuance and dealing of new Shares, including but not limited to:
 - (i) class and number of new Shares to be issued;
 - (ii) price determination method of new Shares and/or issue price (including price range);
 - (iii) the starting and closing dates for the issue;
 - (iv) class and number of the new Shares to be issued to existing shareholders; and/or
 - (v) the making or granting of offers, agreements, options which might require the exercise of such powers.
 - (b) The numbers of A Shares or H Shares (excluding Shares issued in form of capital conversion from capital reserve) to be separately or jointly allotted, issued and dealt with (whether pursuant to an option or otherwise) pursuant to the share mandate, shall not exceed 20% of the A Shares or H Shares in issue at the time when this resolution is passed at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders respectively, by the Board or the Chairman of the Board and his authorised person(s).
 - (c) If the Board or the Chairman of the Board and his authorised person(s) have resolved to allot, issue and deal with A Shares or/and H Shares within the Relevant Period as defined below, and the Company has also obtained the relevant approval, permission or registration (if applicable) from the competent regulatory authorities within the validity term of the share mandate, the Board or the Chairman of the Board and his authorised person(s) may complete the relevant allotment, issuance and dealing works within the validity term of such approval, permission or registration.

NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS

- (d) To grant the Board or the Chairman of the Board and his authorised person(s) to obtain approvals from the relevant government authorities and/or regulatory authorities (if applicable) in accordance with applicable laws (including but not limited to the Company Law of the PRC, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Listing Rules of the Shanghai Stock Exchange) for the exercising of the share mandate.
 - (e) The share mandate will become effective from the date of passing of this resolution at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders until the earlier of (the “**Relevant Period**”):
 - (i) the expiration of 12 months from the date of passing of this resolution at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders;
 - (ii) the conclusion of 2020 annual general meeting; or
 - (iii) the revocation or amendment of the share mandate granted under this resolution by the approval of special resolution at a general meeting by Shareholders.
 - (f) To grant the Board or the Chairman of the Board and his authorised person(s) to approve, execute and make or procure to execute and make any documents, deeds and matters, complete necessary formalities, adopt other necessary actions in connection with the allotment, issuance and dealing of any new Shares in accordance with the share mandate as considered fit.
 - (g) To grant the Board or the Chairman of the Board and his authorised person(s) to increase the registered capital of the Company and to make appropriate and necessary amendments to the articles of association of the Company (the “**Articles of Association**”) after completion of the allotment and issuance of new Shares according to the method, type and number of the allotment and issuance of new Shares by the Company, and the then shareholding structure of the Company.”
- (4) “To consider and approve the Proposal on the Grant of a General Mandate to the Board of the Company to Repurchase H Shares as follows:
- (a) subject to paragraphs (b) and (c) below, the exercise by the Directors 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 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;

NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS

- (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 AGM (or on such adjourned date as may be applicable) and the Class Meeting of A Shareholders (or on such adjourned date as may be applicable);
 - (ii) the approval of all the competent regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
 - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 27 of the Articles of Association;
- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the 2020 annual general meeting of the Company; or
 - (ii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the Shareholders at a general meeting, or a special resolution at their respective class meeting; and

NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS

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

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

Luoyang City, Henan Province, the PRC, 24 April 2020

As at the date of this notice, the Company’s executive directors are Mr. Li Chaochun and Mr. Li Faben; the non-executive directors are Mr. Guo Yimin, Mr. Yuan Honglin, and Mr. Cheng Yunlei; and the independent non-executive directors are Mr. Wang Gerry Yougui, Ms. Yan Ye and Mr. Li Shuhua.

NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS

Notes:

- (1) Resolution 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 Hong Kong Listing Rules. The results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Hong Kong Listing Rules.
- (2) H Shareholders who intend to attend the Class Meeting of H Shareholders in person or by proxy should return the reply slip to the office of the Board at the Company's principal place of business in the PRC 20 days before the meeting, i.e. before Friday, 22 May 2020 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 Class Meeting of H Shareholders is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the Class Meeting of H Shareholders. The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing. In case that an appointor is a body corporate, the instrument must be either under the common seal of the body corporate or under the hand of its director or other person, duly authorised. If the instrument appointing a proxy is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign, or other documents of authorization, 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 authorization 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 (for H Shareholders only), not later than 1:00 p.m. on Thursday, 11 June 2020 (or if the Class Meeting of H Shareholders is adjourned, not less than 24 hours before the time appointed for holding of the adjourned Class Meeting of H Shareholders). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the Class Meeting of H Shareholders or any adjournment should he/she so wish.
- (4) In order to determine the list of H Shareholders who will be entitled to attend and vote at the Class Meeting of H Shareholders, the Company's register of members of H Shares will be closed from Wednesday, 13 May 2020 to Friday, 12 June 2020 (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 Tuesday, 12 May 2020 shall be entitled to attend and vote at the Class Meeting of H Shareholders. In order for the H Shareholders to qualify for attending and voting at the Class Meeting of H Shareholders, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Tuesday, 12 May 2020.
- (5) Shareholders or their proxies must present proof of their identities upon attending the Class Meeting of H Shareholders. Should a proxy be appointed, the proxy must also present copies of his/her proxy form, or copies of appointing instrument and power of attorney, if applicable.
- (6) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointor, or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the Class Meeting of H Shareholders.

NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS

- (7) The address and contact details of the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:

17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990/(+852) 2529 6087

- (8) The address and contact details of the Company's office of the Board at its principal place of business in the PRC are as follows:

North of Yihe
Huamei Shan Road
Chengdong New District
Luanchuan County
Luoyang City
Henan Province
The People's Republic of China
Postal code: 471500
Telephone No.: (+86) 379 6860 3993
Facsimile No.: (+86) 379 6865 8017

The Class Meeting of H Shareholders is expected to last not more than one day. Shareholders or proxies attending the Class Meeting of H Shareholders are responsible for their own transportation and accommodation expenses.

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NOTICE OF THE 2020 FIRST CLASS MEETING OF H SHAREHOLDERS

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