

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



洛 阳 钼 业
洛 陽 欒 川 鉬 業 集 團 股 份 有 限 公 司

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

(Stock Code: 03993)

**ANNOUNCEMENT RELATING TO
REPURCHASE OF A SHARES OF THE COMPANY
THROUGH CENTRALIZED PRICE BIDDING (PHASE III)**

This announcement is made by China Molybdenum Co., Ltd. (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

We refer to the announcement of the Company dated 13 July 2021, in relation to the repurchase of A shares of the Company through centralized price bidding (the “**A Share Repurchase Plan (Phase II)**”). The board of the Company (the “**Board**”) is pleased to announce that in light of the completion of the A Share Repurchase Plan (Phase II), considering the actual needs of the Company, it is resolved to implement the repurchase of the A shares of the Company through centralized bidding (phase III).

Important Notice:

- The Company intends to repurchase A shares of the Company (the “**Repurchase**”) through centralized price bidding (the “**Repurchase Plan**”), which are proposed to be subsequently used for employee stock ownership plan or share incentive scheme or other purposes permitted by laws and regulations. If the Company fails to implement the abovementioned plans, the shares repurchased by the Company will be cancelled according to law.
- The Company expects to use self-owned funds of no more than RMB500 million to repurchase shares of the Company at the price of no more than RMB7.25 per share.

- Whether the relevant shareholders have plans to increase/decrease their shareholdings: After the Company’s self-examination, the controlling shareholder, de facto controller, shareholders holding more than 5% equity interests in the Company and their persons acting in concert, directors, supervisors, senior managements of the Company and their close relatives (including spouses, parents, adult children and their spouses) do not have plan to increase/decrease their shareholdings of the Company in the next 6 months. The Company will fulfill its disclosure obligations if such plan occurs.

Relevant Risks:

1. The Repurchase Plan may be exposed to the risk of failure in its implementation as the price of the Company’s shares may continuously increase and exceed the maximum price as disclosed in the Repurchase Plan;
2. The Repurchase Plan may be exposed to the risk of failure in its implementation as planned since during the implementation of the Repurchase, the Company may not be able to raise sufficient funds required for the Repurchase in time due to factors such as macroeconomic control, tightened credit policies, and temporary operation needs;
3. The Repurchase Plan may be exposed to the risk of cancellation of share not granted as the repurchased shares will be used for employee stock ownership plan or share incentive scheme, it is possible that repurchased shares could not be granted in full due to reasons such as failure of achieving approval from the Board or other decision-making bodies and abandonment of subscription by participants of the plans;
4. The Repurchase Plan may be exposed to the risk of revision or termination as there might be significant changes in the Company’s production and operation, financial position, and objective external conditions.

During the period of the Repurchase (the “**Repurchase Period**”), the Company will make and implement decision to repurchase as and when appropriate based on market conditions and perform its information disclosure obligation in a timely manner in respect of the progress of the Repurchase. Investors of the Company are advised to exercise caution when dealing in the securities of the Company.

I. CONSIDERATION AND IMPLEMENTATION PROCEDURES OF THE REPURCHASE PLAN

- (I) On 24 May 2022, the Company convened the fourth extraordinary meeting of the sixth session of the Board and the eighth meeting of the sixth session of the supervisory committee, at which the Resolution on Repurchase of the A Shares of the Company through Centralized Price Bidding (Phase III) was considered and approved. The independent Directors have issued independent opinions on the Repurchase.
- (II) Pursuant to Articles 28, 29 and 30 of the articles of association of the Company (“**Articles of Association**”), the Repurchase Plan is not required to be submitted to the shareholders’ general meeting of the Company (the “**Shareholders’ General Meeting**”) for consideration.

II. MAJOR CONTENTS OF THE REPURCHASE PLAN

(I) Purpose of the Repurchase

Based on the confidence on the Company's development and in order to maintain a long-term mechanism for risk and benefit sharing among the Company, the Company's shareholders and core employees, the Company plans to repurchase part of the A shares of the Company to be used for employee stock ownership plan or share incentive scheme or other purposes permitted by laws and regulations.

The above plans will be proposed by the Company separately and submitted to the Board and the Shareholders' General Meeting for consideration. If the Company fails to implement the abovementioned plans, the shares repurchased by the Company will be cancelled according to law.

(II) Type of shares to be repurchased

The type of shares to be repurchased is the RMB-denominated ordinary shares (A shares) issued by the Company.

(III) Method of the Repurchase

The Company proposes to conduct the Repurchase by means of centralized price bidding.

(IV) The pricing principles of the Repurchase

In accordance with relevant laws and regulations and considering the recent market price of the shares of the Company, the repurchase price of A Shares will not exceed RMB7.25 per share. The aforesaid repurchase price shall also be determined according to the stock price of the secondary market and the Company's financial and operation conditions after the commencement of the Repurchase pursuant to the requirements of relevant laws and regulations. In the event of any distribution of shares, conversion of capital reserve into share capital, division of shares, reduction or placing of shares, and distribution of cash dividends of the Company during the Repurchase Period, the Company will adjust the cap of repurchase price at the ex-rights date or ex-dividend date accordingly.

(V) Proposed total amount of the repurchase funds and the source of funds

It is expected that the total amount of the repurchase funds will be no more than RMB500 million (cap inclusive). Such funds are derived from the self-owned funds and raised funds via bond issuance of the Company.

(VI) Number of shares to be repurchased and the proportion to the total share capital

The Company expects to use funds of no more than RMB500 million to repurchase shares of the Company. It is expected to repurchase no less than 0.16% and no more than 0.32% of the total share capital of the Company, i.e. approximately no less than 34.48 million shares and no more than 68.97 million shares, considering the repurchase amount cap of RMB500 million, the maximum repurchase price of RMB7.25 per share and the lower end of the repurchase amount of RMB250 million. The actual number of shares repurchased and the proportion to the total share capital of the Company shall be determined upon expiration of the Repurchase Period. In the event of any conversion of capital reserve into share capital and distribution of share/cash dividends during the Repurchase Period, the Company shall adjust the number of shares to be repurchased starting from the ex-rights date or ex-dividend dates in accordance with the requirements of China Securities Regulatory Commission and Shanghai Stock Exchange.

(VII) Repurchase Period

The Repurchase Period shall be no more than 12 months from the date of the Board reviewing and approving the Repurchase Plan. However, if any of the following conditions occurs, the Repurchase Period shall expire in advance:

- (1) If the amount of funds used for the Repurchase has reached RMB500 million during the Repurchase Period, the Repurchase Plan is then completed and the Repurchase Period shall expire in advance at the date of such completion; and
- (2) If the Board decides to terminate the Repurchase Plan, the Repurchase Period shall expire in advance at the date on which the Board determines to terminate the Repurchase Plan.

The Company will make and implement decisions of the Repurchase in accordance with market conditions during the Repurchase Period according to the authorization of the Board.

The Company shall not repurchase any shares during the following periods:

- (1) within ten trading days prior to the annual report, quarterly report and interim report, when the publication of the announcements are delayed for special reasons, from 10 trading days prior to the original announcement date to the last day prior to the announcement;

- (2) within ten trading days before the publication of preliminary result announcement or announcement of the summary of operation results;
- (3) from the date of the occurrence of a significant event that may have a material impact on the market price of the shares of the Company or during the decision-making process thereof to two trading days after the disclosure thereof according to relevant laws and regulations; and
- (4) other circumstances as stipulated by China Securities Regulatory Commission and Shanghai Stock Exchange.

During the implementation of the Repurchase Plan, if the Company's stock trading is suspended for more than 10 consecutive trading days due to planning of major matters, the Company will postpone the implementation of the Repurchase Plan until the resumption of stock trading and make disclosure in a timely manner.

(VIII) Expected changes in the Company's shareholding structure after the Repurchase

Based on the maximum amount of repurchase funds of RMB500 million and maximum repurchase price of RMB7.25 per share, the number of shares to be repurchased amounts to approximately 68.97 million. Based on the Company's share capital structure as at 1 May 2022, it is estimated that the changes in the Company's equity after the Repurchase are as follows:

- (1) Assuming that all the repurchased shares are used for employee stock ownership plan or share incentive scheme and restricted, it is estimated that the changes in the shareholding structure of the Company are as follows:

Type of shares	Before the Repurchase		Increase/ Decrease	After the Repurchase	
	Quantity (shares)	Proportion (%)		Quantity (shares)	Proportion (%)
Restricted shares	99,999,964	0.46	+68,965,517	168,965,481	0.78
Non-restricted shares	21,499,240,619	99.54	-68,965,517	21,430,275,102	99.22
Total	<u>21,599,240,583</u>	<u>100</u>	<u>0</u>	<u>21,599,240,583</u>	<u>100</u>

- (2) The repurchased shares will be cancelled if they are not used for the purposes of the Repurchase within three years after the implementation of the Repurchase Plan, the total share capital of the Company will be reduced, and the changes in the share capital of the Company are as follows:

Type of shares	Before the Repurchase		Increase/ Decrease	After the Repurchase	
	Quantity <i>(shares)</i>	Proportion <i>(%)</i>		Quantity <i>(shares)</i>	Proportion <i>(%)</i>
A Shares	17,665,772,583	81.79	-68,965,517	17,596,807,066	81.73
H Shares	3,933,468,000	18.21	0	3,933,468,000	18.27
Total	<u>21,599,240,583</u>	<u>100</u>	<u>-68,965,517</u>	<u>21,530,275,066</u>	<u>100</u>

(IX) Analysis of the significant impact of the Repurchase on the Company’s business activities, financial condition and future development

As at 31 December 2021, the total asset of the Company is RMB137,449.7726 million, the owner’s equity attributable to the shareholders of the Company is RMB39,845.2866 million, and the monetary capital on consolidated basis is RMB24,318.0250 million. Assuming that the repurchase fund of RMB500 million has been used up, according to the financial data of the Company on 31 December 2021, the repurchase funds accounts for 0.36%, 1.25% and 2.06% of the above three indicators respectively.

The Company is of the view that considering the repurchase funds not exceeding RMB500 million will be used on an optional basis during the Repurchase Period with flexibility, the Repurchase will not have a significant impact on the Company’s continuous operation and future development, nor will it impose any negative effect on the profitability, credit performance ability or research capability of the Company. After the Repurchase, the shareholding of the Company meets the requirements for listing, thus it will not affect the Company’s status as a listed company and the controlling rights of the Company won’t change.

(X) Whether the Company's controlling shareholders, *de facto* controllers, shareholders holding more than 5% of the shares and their persons acting in concert, directors, supervisors and senior management deal in the shares of the Company within six months before the Board resolved on the Repurchase and whether they have conflict of interest with the Repurchase Plan and whether there is insider trading or market manipulation

According to the self-examination of the Company, within six months before the Board made the resolution of the Repurchase, the controlling shareholders, *de facto* controllers, shareholders holding more than 5% of shares and their persons acting in concert, directors, supervisors, senior management and their close relatives (including spouses, parents, adult children and their spouses) of the Company did not buy or sell the Company's shares.

(XI) Explanation of the plan of the controlling shareholder, *de facto* controller, shareholders holding more than 5% equity interests in the Company, directors, supervisors and senior management of the Company to increase/decrease their shareholdings of the Company in the next 6 months

The Company has sent inquiries to the controlling shareholder, *de facto* controller, shareholders holding more than 5% equity interests in the Company, directors, supervisors and senior management of the Company to inquire whether there are plans to increase or decrease shareholding of the Company in the next 6 months. According to the reply received, as at the date of the board meeting approving the Repurchase Plan, the controlling shareholder, *de facto* controller, shareholders holding more than 5% equity interests in the Company, directors, supervisors and senior management of the Company and their close relatives (including spouses, parents, adult children and their spouses) of the Company have no plans to increase or decrease their shareholdings of the Company in the next 6 months. The Company will fulfill its disclosure obligations if such plan occurs.

(XII) Relevant arrangements for cancellation or transfer according to laws after share repurchase

All shares to be repurchased will be used for employee stock ownership plan or share incentive scheme or other purposes permitted by laws and regulations and the Company will use them up within three years after the disclosure of the repurchase results. If the Company fails to use up the repurchased shares within 36 months after the completion of the Repurchase, the unused shares repurchased will be cancelled, which will be conducted in accordance with relevant laws, regulations and policies.

(XIII) Arrangements to guarantee the interests of creditors of the Company

The Repurchase will not affect the normal continuous operation of the Company and will not lead to insolvency of the Company. All A Shares to be repurchased will only be used for share incentive scheme or employee stock ownership plan other purposes permitted by laws and regulations in the future, if the Company fails to achieve such purposes, cancellation of the shares repurchased may occur, the Company will notify its creditors in accordance with the relevant provisions of the Company Law to fully protect the interests of its creditors.

(XIV) Dealing with matters relating to the Repurchase

In order to cooperate with the repurchase of the Company's shares, the Board authorizes the chairman to the Board to handle various matters during the Repurchase, including but not limited to:

1. Decide the specific use of the repurchased shares according to relevant laws and regulations, including the use of the shares for employee stock ownership plan or share incentive scheme;
2. Repurchase shares during the Repurchase Period as and when appropriate, including the time, price and quantity;
3. Decide the implementation or termination of the Repurchase Plan according to the actual situation and stock price of the Company;
4. Adjust the specific implementation plan in accordance with relevant provisions (i.e. applicable laws, regulations and relevant provisions of the regulatory authorities) and deal with other matters related to the Repurchase;
5. Revise the Articles of Association and other materials and filings that may need to be revised according to actual situations of the Repurchase, and deal with relevant reporting and filing accordingly;
6. Decide whether to hire relevant intermediaries;
7. Handle the revision of the Articles of Association and the registration of industrial and commercial changes after the completion of relevant matters;
8. Handle other matters that are not listed herein but necessary for the Repurchase.

In case of the implementation of the Repurchase, the Company will not issue shares for raising funds during the Repurchase Period (except for the issuance of preferred shares in accordance with relevant regulations).

The authorization starts from the date when the Board approves the Repurchase and ends on the date when the matters relevant are completed.

III. INDEPENDENT DIRECTORS' VIEW

The independent directors of the Company are of the view that, the Repurchase of A shares through centralized price bidding are in accordance with the relevant laws and regulations and the Articles of Association, the Repurchase Plan is reasonable, feasible and necessary, and in the interests of the Company and all the shareholders, thus they are in favor of the Repurchase Plan.

IV. UNCERTAINTY RISKS IN RELATION TO THE REPURCHASE PLAN

(I) Risks of uncertainty

1. The Repurchase Plan may be exposed to the risk of failure in its implementation as the price of the Company's shares may continuously increase and exceed the maximum price as disclosed in the Repurchase Plan;
2. The Repurchase Plan may be exposed to the risk of failure in its implementation as planned since during the implementation of the Repurchase, the Company may not be able to raise sufficient funds required for the Repurchase in time due to factors such as macroeconomic control, tightened credit policies, and temporary operation needs;
3. The Repurchase Plan may be exposed to the risk of cancellation of share not granted as the repurchased shares will be used for employee stock ownership plan or share incentive scheme, it is possible that repurchased shares could not be granted in full due to reasons such as failure of achieving approval from the Board or other decision-making bodies and abandonment of subscription by participants of the plans;
4. The Repurchase Plan may be exposed to the risk of revision or termination as there might be significant changes in the Company's production and operation, financial position, and objective external conditions.

(II) Response measures

After consideration and approval by the Board, the Company will make decision of the Repurchase and implement according to market conditions during the Repurchase Period as and when appropriate. If the Repurchase Plan cannot be implemented due to the above risks, the Company will revise the Repurchase Plan or terminate implementation as and when appropriate according to the impact of risk, and re-perform the approval procedure in accordance with laws, regulations and the Articles of Association. The Repurchase will not have a significant impact on the Company's operation, finance and future development, and will not affect the Company's listing status.

The Company will perform its obligation to disclose relevant information according to the progress of the Repurchase in a timely manner. Investors are advised to be aware of the investment risks.

By Order of the Board
China Molybdenum Co., Ltd.*
Yuan Honglin
Chairman

Luoyang City, Henan Province, the People's Republic of China, 24 May 2022

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

* *For identification purposes only*