

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
CMOC Group Limited*

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 03993)

INSIDE INFORMATION
UPDATE ON THE PROPOSED CHANGES IN THE SHAREHOLDING OF
THE SECOND LARGEST SHAREHOLDER OF THE COMPANY

This announcement is made by the Company pursuant to Rules 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

I. PROPOSED TRANSACTION

We refer to the announcement of the Company dated 30 September 2022 in relation to the Investment Framework Agreement. The Board is pleased to announce that as notified by Luoyang Guohong, Sichuan CATL and CATL, Luoyang Guohong, Sichuan CATL and CATL entered into the Investment Agreement on 31 October 2022, pursuant to which, Luoyang Guohong agreed to subscribe for the increased share capital in Sichuan CATL by contributing its 100% equity interests in LMG to Sichuan CATL.

Upon completion of the Proposed Transaction, LMG will become a wholly-owned subsidiary of Sichuan CATL, which in turn holds 24.68% of the equity interests in the Company through LMG. The Proposed Transaction is still subject to the fulfilment of certain conditions precedent as set out in this announcement.

II. PARTICULARS OF THE INVESTMENT AGREEMENT

Date 31 October 2022

Parties Luoyang Guohong;
Sichuan CATL; and
CATL

- Proposed Transaction**
- (1) The parties agree that Luoyang Guohong will subscribe for the increased share capital in Sichuan CATL by contributing its 100% equity interests in LMG to Sichuan CATL based on the valuation of such equity interests.
 - (2) The parties agree that the appraised value of Sichuan CATL prior to the Proposed Transaction should be RMB101,853.1893 million, based on the appraised value of RMB101,853.1893 million, as determined in the valuation report (Zhong Qi Hua Ping Bao Zi (2022) No. 6830) issued by Beijing China Enterprise Appraisal Co., Ltd. (北京中企華資產評估有限責任公司) after being filed with the competent state-owned assets management authority of Luoyang Guohong. Based on the appraised value of RMB26,748.7065 million, as determined in the valuation report (Zhong Qi Hua Ping Bao Zi (2022) No. 6831) issued by Beijing China Enterprise Appraisal Co., Ltd. after being filed with the competent state-owned assets management authority of Luoyang Guohong, it was determined that 100% equity interests in LMG (the “**Capital Increase Assets**”) will be invested in Sichuan CATL with a value of RMB26,748.7065 million.

Upon the completion of the Proposed Transaction, Luoyang Guohong will hold 20.8% equity interests in Sichuan CATL (the “**Target Equity Interests**”), and Sichuan CATL will hold 100% equity interests in LMG.

- (3) The parties agree that the Target Equity Interests subscribed by Luoyang Guohong with the Capital Increase Assets will not be subject to any adjustment for the profit or loss during the transitional period on the closing date, and Sichuan CATL and Luoyang Guohong are not required to make up for any balance. The profit or loss on the Target Equity Interests and Capital Increase Assets for the transitional period shall be included in the consolidated statements of Sichuan CATL from the closing date and shall be shared or borne by Luoyang Guohong and CATL in proportion to their shareholdings in Sichuan CATL. During the transitional period, Sichuan CATL promises to conduct its business operation activities normally and Luoyang Guohong promises to actively procure LMG and the Company (including their majority-owned subsidiaries) to conduct their business operation normally within the scope of its shareholder's rights.

**Conditions
Precedent**

The parties agree that the completion of the Proposed Transaction is conditional on the satisfaction of all the following items: all transaction documents should be legally and effectively executed and become effective; the Proposed Transaction obtains the clearance of the anti-trust review (if any); assets and liabilities unrelated to the Proposed Transaction should be divested; no material adverse changes happens or reasonably expects to happen on the assets related to the Proposed Transaction; the statements, representations and warranties made by each party remain true, accurate and complete, etc.

**Subsequent
Arrangements**

- (1) 24.68% of shares of the Company has a significant impact on the credit and liquidity status, and financing ability of Luoyang Guohong. In order to assist Luoyang Guohong in obtaining the approval of its creditors for the Proposed Transaction, through friendly negotiation, CATL proposed to provide joint and several liability guarantee of up to RMB10 billion in total for the bonds issued by Luoyang Guohong and other bonds and loans approved by CATL, from the effective date of the Investment Agreement of the Proposed Transaction to the date of termination of the Proposed Transaction, or disposal of the equity interests obtained by Luoyang Guohong in Sichuan CATL under the Proposed Transaction, or to other agreed period.

Meanwhile, according to the relevant requirement of the China Securities Regulatory Commission and the Shenzhen Stock Exchange on the external guarantee of listed companies, and in order to strictly control the guarantee risks of CATL, Luoyang Guohong will provide counter-guarantee with the shares of the Company indirectly held by it, or the equity interests in Sichuan CATL obtained under the Proposed Transaction, etc., as collaterals.

- (2) Within a certain period following the closing date of the Proposed Transaction, all or part of the equity interests acquired by Luoyang Guohong in Sichuan CATL under the Proposed Transaction may be disposed of after performing required procedures.
- (3) Sichuan CATL and CATL have no intention to seek control over the Company; except for the Proposed Transaction, Sichuan CATL and CATL have no plans to further increase their shareholdings in the Company in the next 36 months.

**Governance
Structure**

The parties agree that after the Proposed Transaction, Sichuan CATL will change from a wholly-owned subsidiary to a majority-owned subsidiary of CATL, and Sichuan CATL will set up a shareholders' general meeting and a board of directors to improve its corporate governance structure. The board of directors of Sichuan CATL will comprise 3 directors and will answer to the shareholders' general meeting. CATL is entitled to appoint 2 directors, while Luoyang Guohong is entitled to appoint 1 director. The chairman shall be elected from the directors appointed by CATL. After the Proposed Transaction, Luoyang Guohong will support the market-oriented and standardized operation of Sichuan CATL without influencing the decision-making efficiency, production and operation activities of Sichuan CATL.

III. CHANGES IN THE SHAREHOLDING OF THE SECOND LARGEST SHAREHOLDER OF THE COMPANY

As at the date of this announcement, LMG holds 24.68% equity interests in the Company and is a wholly-owned subsidiary of Luoyang Guohong.

Upon completion of the Proposed Transaction, LMG will become a wholly-owned subsidiary of Sichuan CATL, which in turn holds 24.68% of the equity interests in the Company through LMG.

The Company will continue to pay close attention to the progress of the Proposed Transaction and procure relevant parties to perform their information disclosure obligations in a timely manner in accordance with the requirements of relevant laws and regulations.

As the Proposed Transaction may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

| | |
|----------------------------------|---|
| “Board” | the board of directors of the Company |
| “CATL” | Contemporary Amperex Technology Co., Limited* (寧德時代新能源科技股份有限公司) |
| “Company” | CMOC Group Limited* (洛陽欒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 |
| “Investment Agreement” | The investment agreement entered into by Luoyang Guohong, Sichuan CATL and CATL on 31 October 2022, pursuant to which, Luoyang Guohong agreed to subscribe for the increased share capital in Sichuan CATL by contributing its 100% equity interests in LMG to Sichuan CATL |
| “Investment Framework Agreement” | the investment framework agreement entered into by Luoyang Guohong, Sichuan CATL and CATL on 30 September 2022, pursuant to which, Luoyang Guohong proposed to subscribe for the increased share capital in Sichuan CATL by contributing its 100% equity interests in LMG to Sichuan CATL |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Luoyang Guohong” | Guohong Investment Group Co., Ltd.* (洛陽國宏投資集團有限公司), the controlling shareholder of LMG, holding 100% equity interests in LMG as of the date of this announcement |
| “LMG” | Luoyang Mining Group Co., Ltd. (洛陽礦業集團有限公司), a substantial shareholder of the Company. As at the date of this announcement, LMG holds 24.68% of the equity interests of the Company |

| | |
|------------------------|--|
| “Proposed Transaction” | the proposed subscription of the increased share capital in Sichuan CATL by Luoyang Guohong by way of contributing its 100% equity interests in LMG to Sichuan CATL as contemplated under the Investment Agreement |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Sichuan CATL” | Sichuan Contemporary Amperex Technology Limited* (四川時代新能源科技有限公司), the wholly-owned subsidiary of CATL as of the date of this announcement |

By Order of the Board
CMOC Group Limited*
Yuan Honglin
Chairman

Luoyang City, Henan Province, PRC, 31 October 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 purpose only*