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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)

CONNECTED TRANSACTIONS

PROVISION OF GUARANTEE TO FUCHUAN MINING

PROVISION OF GUARANTEE

We refer to the announcements of the Company dated 30 November 2021, 3 December 2021 and 8 December 2021, respectively, in relation to the previous guarantee provided by the Company to Fuchuan Mining under the 2021 BOC Guarantee Agreement, the 2021 Minsheng Bank Maximum Pledge Agreement and the 2021 BOC Pledge Agreement, respectively. We also refer to the poll results of the 2021 annual general meeting of the Company held on 10 June 2022 in relation to the approval by the shareholders of the Company for the provision of guarantee to Fuchuan Mining with a total amount of not more than RMB1 billion (the “**Guarantee Authorization**”).

As of 25 November 2022, Fuchuan Mining has fully repaid the principal and interests of RMB185 million of its loan under the 2021 BOC Loan Agreement prior to its expiration, and the 2021 BOC Guarantee Agreement was then terminated accordingly.

On 2 December 2022, Fuchuan Mining entered into the 2022 EXIM Bank Loan Agreement with EXIM Bank Henan Branch, pursuant to which, EXIM Bank Henan Branch agreed to provide working capital loan of not more than RMB200 million to Fuchuan Mining. On the same date, the Company entered into the 2022 EXIM Bank Guarantee Agreement with EXIM Bank Henan Branch, pursuant to which, the Company agreed to provide guarantee for the loans of Fuchuan Mining under the 2022 EXIM Bank Loan Agreement with a maximum guaranteed principal balance of RMB200 million as well as relevant interests and expenses, provided that the total amount of guarantee liabilities under the 2021 Minsheng Bank Maximum Pledge Agreement, the 2021 BOC Pledge Agreement and the 2022 EXIM Bank Guarantee Agreement shall not exceed RMB1 billion in accordance with the Guarantee Authorization.

On 2 December 2022, Fuchuan Mining has repaid the principal and interests of RMB200 million of its loan under the 2021 BOC Loan Agreement II.

On 4 December 2022, Fuchuan Mining entered into the 2022 BOC Credit Facilities Agreement with BOC Luanchuan Branch, pursuant to which, BOC Luanchuan Branch agreed to provide credit facility of not more than RMB200 million to Fuchuan Mining. On the same date, the Company entered into the 2022 BOC Guarantee Agreement with BOC Luanchuan Branch, pursuant to which, the Company agreed to provide guarantee for the credit facilities of Fuchuan Mining under the 2022 BOC Credit Facilities Agreement with a maximum principal balance of RMB200 million as well as relevant interests and expenses, provided that the total amount of guarantee liabilities under the 2021 BOC Pledge Agreement, the 2021 Minsheng Bank Maximum Pledge Agreement, the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement shall not exceed RMB1 billion in accordance with the Guarantee Authorization.

On 7 December 2022, Fuchuan Mining has repaid the principal and interests of RMB183 million of its loan under the 2021 BOC Loan Agreement II, and the 2021 BOC Pledge Agreement was then terminated accordingly.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company was indirectly interested in 55% equity interests in Fuchuan Mining, and Luoyang Guohong, a substantial shareholder of the Company holding 24.68% of the equity interests in the Company, was indirectly interested in the remaining 45% equity interests in Fuchuan Mining other than through its interests in the Company. Therefore Fuchuan Mining is a connected person of the Company. As such, the transactions contemplated under the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As (i) the Company has already provided guarantee to Fuchuan Mining under the 2021 Minsheng Bank Maximum Pledge Agreement and (ii) the 2021 Minsheng Bank Maximum Pledge Agreement, the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement were entered into within 12 months, the transactions contemplated thereunder are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the 2021 Minsheng Bank Maximum Pledge Agreement, the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement is more than 0.1% but less than 5% on an aggregated basis, therefore, such transactions shall be subject to the reporting and announcement requirements but exempted from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

PROVISION OF GUARANTEE

We refer to the announcements of the Company dated 30 November 2021, 3 December 2021 and 8 December 2021, respectively, in relation to the previous guarantee provided by the Company to Fuchuan Mining under the 2021 BOC Guarantee Agreement, the 2021 Minsheng Bank Maximum Pledge Agreement and the 2021 BOC Pledge Agreement, respectively. We also refer to the poll results of the 2021 annual general meeting of the Company held on 10 June 2022, in relation to the approval by the shareholders of the Company for the provision of guarantee to Fuchuan Mining with a total amount of not more than RMB1 billion.

As of 25 November 2022, Fuchuan Mining has fully repaid the principal and interests of RMB185 million of its loan under the 2021 BOC Loan Agreement prior to its expiration, and the 2021 BOC Guarantee Agreement was then terminated accordingly.

On 2 December 2022, Fuchuan Mining entered into the 2022 EXIM Bank Loan Agreement with EXIM Bank Henan Branch, pursuant to which, EXIM Bank Henan Branch agreed to provide working capital loan of not more than RMB200 million to Fuchuan Mining. On the same date, the Company entered into the 2022 EXIM Bank Guarantee Agreement with EXIM Bank Henan Branch, pursuant to which, the Company agreed to provide guarantee for the loans of Fuchuan Mining under the 2022 EXIM Bank Loan Agreement with a maximum guaranteed principal balance of RMB200 million as well as relevant interests and expenses, provided that the total amount of guarantee liabilities under the 2021 Minsheng Bank Maximum Pledge Agreement, the 2021 BOC Pledge Agreement and the 2022 EXIM Bank Guarantee Agreement shall not exceed RMB1 billion in accordance with the Guarantee Authorization.

On 2 December 2022, Fuchuan Mining has repaid the principal and interests of RMB200 million of its loan under the 2021 BOC Loan Agreement II.

On 4 December 2022, Fuchuan Mining entered into the 2022 BOC Credit Facilities Agreement with BOC Luanchuan Branch, pursuant to which, BOC Luanchuan Branch agreed to provide credit facility of not more than RMB200 million to Fuchuan Mining. On the same date, the Company entered into the 2022 BOC Guarantee Agreement with BOC Luanchuan Branch, pursuant to which, the Company agreed to provide guarantee for the credit facilities of Fuchuan Mining under the 2022 BOC Credit Facilities Agreement with a maximum principal balance of RMB200 million as well as relevant interests and expenses, provided that the total amount of guarantee liabilities under the 2021 BOC Pledge Agreement, the 2021 Minsheng Bank Maximum Pledge Agreement, the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement shall not exceed RMB1 billion in accordance with the Guarantee Authorization.

On 7 December 2022, Fuchuan Mining has repaid the principal and interests of RMB183 million of its loan under the 2021 BOC Loan Agreement II, and the 2021 BOC Pledge Agreement was then terminated accordingly.

The principal terms of the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement are as follows:

2022 EXIM Bank Guarantee Agreement

- Date:** 2 December 2022
- Parties:** (i) the Company, as the guarantor; and
(ii) EXIM Bank Henan Branch, as the creditor
- Guarantee period:** three years commencing from the expiry of the repayment period for the debt of Fuchuan Mining under the 2022 EXIM Bank Loan Agreement
- Guarantee scope:** The working capital loans of Fuchuan Mining with maximum principal balance up to RMB200 million under the 2022 EXIM Bank Loan Agreement and the interests and expenses incurred therefrom (including but not limited to liquidated damages, damages and other expenses)
- Effective date:** The agreement shall come into effect upon being (i) signed by the legal representatives or authorized signatories of the Company and the responsible officers or authorized signatories of EXIM Bank Henan Branch and (ii) stamped with official seals of the Company and EXIM Bank Henan Branch.

2022 BOC Guarantee Agreement

- Date:** 4 December 2022
- Parties:** (i) the Company, as the guarantor; and
(ii) BOC Luanchuan Branch, as the creditor
- Guarantee period:** three years commencing from the expiry of the repayment period for the debt of Fuchuan Mining under the 2022 BOC Credit Facilities Agreement
- Guarantee scope:** The credit facilities of Fuchuan Mining with maximum principal balance up to RMB200 million under the 2022 BOC Credit Facilities Agreement and the interests and expenses incurred therefrom (including but not limited to liquidated damages, damages and other expenses)
- Effective date:** The agreement shall come into effect upon being (i) signed by the legal representatives, responsible officers or authorized signatories of the Company and BOC Luanchuan Branch and (ii) stamped with official seals of the Company and BOC Luanchuan Branch.

Reasons for and Benefits of the Provision of the Guarantee

The provision of the guarantee by the Company to Fuchuan Mining will help Fuchuan Mining raise funds to support its daily business operation and development of new projects which will further improve its production capability and profitability and contribute to the overall strategy layout of the Group.

In addition, as disclosed in the announcement of the Company dated 30 November 2021, Fuchuan Mining has also provided the Counter-guarantee for the Company in respect of the guarantee provided by the Company, thus the guarantee liability of the Company is at low risk.

Considering the above reasons, the Directors (including the independent non-executive Directors) are of the view that the guarantee provided by the Company (of which the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement and the transaction contemplated thereunder form a part) is entered into in the usual and ordinary course of business of the Company, conducted on normal commercial terms, and the terms of which are fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

Mr. Guo Yimin and Mr. Cheng Yunlei, being Directors who held positions in the subsidiary of Luoyang Guohong, had abstained from voting on the Board resolutions to approve the provision of the guarantee by the Company to Fuchuan Mining. Save as disclosed above, none of the other Directors had abstained from voting with respect to such transactions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company was indirectly interested in 55% equity interests in Fuchuan Mining, and Luoyang Guohong, a substantial shareholder of the Company holding 24.68% of the equity interests in the Company, was indirectly interested in the remaining 45% equity interests in Fuchuan Mining other than through its interests in the Company. Therefore Fuchuan Mining is a connected person of the Company. As such, the transactions contemplated under the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As (i) the Company has already provided guarantee to Fuchuan Mining under the 2021 Minsheng Bank Maximum Pledge Agreement and (ii) the 2021 Minsheng Bank Maximum Pledge Agreement, the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement were entered into within 12 months, the transactions contemplated thereunder are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the 2021 Minsheng Bank Maximum Pledge Agreement, the 2022 EXIM Bank Guarantee Agreement and the 2022 BOC Guarantee Agreement is more than 0.1% but less than 5% on an aggregated basis, therefore, such transactions shall be subject to the reporting and announcement requirements but exempted from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

ENHANCING MEASURES

The Company has taken and will take the following measures to tighten its internal control procedure for management of connected transactions with a view to further ensuring timely compliance with the Listing Rules.

- (i) additional trainings will be arranged for the relevant employees of the Group to reinforce their further cognition and awareness of the requirements for connected transactions under Chapter 14A of the Listing Rules;
- (ii) the Group maintained and has closely updated the list of connected persons regularly and irregularly and provide more detailed guidelines to its staff on connected transactions;
- (iii) the Company will continue to review and monitor the internal control measures of the Group to ensure all current and future transactions shall be in compliance with the applicable requirements of the Listing Rules and other relevant laws and regulations; and
- (iv) the Company has retained Hong Kong legal adviser for advice on compliance with the Listing Rules. For any proposed transaction(s) which may constitute connected transaction(s) of the Group in the future, the Group will consult legal advisers and the Hong Kong Stock Exchange (where necessary) in a timely manner prior to entering into such transaction(s) to ensure that all applicable requirements under the Listing Rules will be complied with.

GENERAL INFORMATION

The Company

CMOC Group Limited is a joint stock company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the main boards of the Hong Kong Stock Exchange (stock code: 03993) and the Shanghai Stock Exchange (stock code: 603993), respectively. The controlling shareholder of the Company is Cathay Fortune Corporation.

The Group mainly engages in the mining and processing business, which includes mining, beneficiation, smelting and refining of base and rare metals, and mineral trading business. With its main business located over five continents: Asia, Africa, South America, Oceania and Europe, the Company is the world's leading producer of tungsten, cobalt, niobium and molybdenum and a major copper producer. It is also a leading producer of phosphatic fertilizers in Brazil. In terms of trading business, the Company is among top three biggest base metal merchants in the world.

Fuchuan Mining

Fuchuan Mining is a joint venture of the Company incorporated in the PRC on 29 September 2003 and although the financial statements of Fuchuan Mining are not consolidated into the consolidated financial statements of the Group, the Company has control over daily operation and management of Fuchuan Mining through contractual arrangement, therefore, Fuchuan Mining is deemed as a subsidiary of the Company. As at the date of this announcement, the Company directly holds 10% equity interests of Fuchuan Mining, and holds 50% equity interests of Xuzhou Huanyu Molybdenum Industry Co., Ltd. (徐州環宇鉬業有限公司), which in turn holds 90% equity interests of Fuchuan Mining. Luoyang Guohong, which is a substantial shareholder of the Company, holds the remaining 50% equity interests of Xuzhou Huanyu Molybdenum Industry Co., Ltd.. As at the date of this announcement, the State-owned Assets Supervision and Administration Commission of Luoyang Municipal People's Government holds approximately 94.76% equity interests of Luoyang Guohong and the Henan Provincial Department of Finance holds approximately 5.24% equity interests of Luoyang Guohong. Fuchuan Mining mainly engages in mining, processing and sales of molybdenum and iron ore (save for hazardous chemicals).

BOC Luanchuan Branch

BOC Luanchuan Branch mainly provides banking services in China. BOC Luanchuan Branch is a branch of Bank of China Limited (“**BOC**”), a company listed on the Hong Kong Stock Exchange (stock code: 03988) and Shanghai Stock Exchange (stock code: 601988), respectively, of which the controlling shareholder is Central Huijin Investment Limited (中央滙金投資有限責任公司). To the best of the directors' knowledge, information and belief, having made all reasonable enquiries, BOC and its controlling shareholder are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

EXIM Bank Henan Branch

EXIM Bank Henan Branch mainly provides banking services in China. EXIM Bank Henan Branch is a branch of the Export-Import Bank of China (“**EXIM Bank**”), which is in turn ultimately held by the Ministry of Finance of China and the Investment Center of the State Administration of Foreign Exchange of China as to 10.74% and 89.26%, respectively. To the best of the directors' knowledge, information and belief, having made all reasonable enquiries, EXIM Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2021 BOC Guarantee Agreement”	the guarantee agreement entered into between the Company and BOC Luanchuan Branch on 30 November 2021, pursuant to which the Company agreed to provide guarantee with maximum guaranteed principal balance of RMB185 million for the credit facilities of Fuchuan Mining under the 2021 BOC Loan Agreement
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“2021 BOC Loan Agreement”	the loan agreement entered into between Fuchuan Mining and BOC Luanchuan Branch on 30 November 2021, pursuant to which BOC Luanchuan Branch agreed to provide credit facilities with maximum principal amount up to RMB185 million for Fuchuan Mining
“2021 BOC Loan Agreement II”	the loan agreement entered into between Fuchuan Mining and BOC Luanchuan Branch on 8 December 2021, pursuant to which BOC Luanchuan Branch agreed to provide credit facilities with maximum principal amount up to RMB383 million for Fuchuan Mining
“2021 BOC Pledge Agreement”	the pledge guarantee agreement entered into between the Company and BOC Luanchuan Branch on 8 December 2021, pursuant to which the Company agreed to provide pledge guarantee with maximum guaranteed principal balance of RMB383 million for the credit facilities of Fuchuan Mining under the 2021 BOC Loan Agreement II
“2021 Minsheng Bank Loan Agreement”	the loan agreement entered into between Fuchuan Mining and Minsheng Bank Luoyang Branch on 3 December 2021, pursuant to which Minsheng Bank Luoyang Branch agreed to provide credit facilities with maximum principal amount up to RMB376 million for Fuchuan Mining
“2021 Minsheng Bank Maximum Pledge Agreement”	the maximum pledge guarantee agreement entered into between the Company and Minsheng Bank Luoyang Branch on 3 December 2021, pursuant to which the Company agreed to provide pledge guarantee with maximum guaranteed principal balance of RMB376 million for the credit facilities of Fuchuan Mining under the 2021 Minsheng Bank Loan Agreement
“2022 BOC Guarantee Agreement”	the guarantee agreement entered into between the Company and BOC Luanchuan Branch on 4 December 2022, pursuant to which the Company agreed to provide guarantee with maximum guaranteed principal balance of RMB200 million for the credit facilities of Fuchuan Mining under the 2022 BOC Loan Agreement
“2022 BOC Credit Facilities Agreement”	the credit facilities agreement entered into between Fuchuan Mining and BOC Luanchuan Branch on 4 December 2022, pursuant to which BOC Luanchuan Branch agreed to provide credit facilities with maximum principal amount up to RMB200 million for Fuchuan Mining

“2022 EXIM Bank Guarantee Agreement”	the guarantee agreement entered into between the Company and EXIM Bank Henan Branch on 2 December 2022, pursuant to which the Company agreed to provide guarantee with maximum guaranteed principal balance of RMB200 million for the working capital loans of Fuchuan Mining under the 2022 EXIM Bank Loan Agreement
“2022 EXIM Bank Loan Agreement”	the loan agreement entered into between Fuchuan Mining and EXIM Bank Henan Branch on 2 December 2022, pursuant to which EXIM Bank Henan Branch agreed to provide working capital loans with maximum principal amount up to RMB200 million for Fuchuan Mining
“Board”	the board of directors of the Company
“BOC Luanchuan Branch”	Luanchuan branch of Bank of China Limited
“Company”	CMOC Group Limited* (洛陽欒川鋁業集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A shares and H Shares of which are listed on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited, respectively
“Counter-guarantee”	the counter-guarantee with maximum guarantee amount of RMB1 billion provided by Fuchuan Mining for the guarantee liabilities undertaken by the Company with its mining rights in Shangfanggou molybdenum mine (certificate number: C1000002011073120115610)
“Director(s)”	the director(s) of the Company
“EXIM Bank Henan Branch”	Henan branch of the Export-Import Bank of China
“Fuchuan Mining”	Luoyang Fuchuan Mining Co., Ltd.* (洛陽富川礦業有限公司), a joint venture of the Company and although the financial statements of Fuchuan Mining are not consolidated into the consolidated financial statements of the Group, the Company has control over daily operation and management of Fuchuan Mining through contractual arrangement, therefore, it is deemed as a subsidiary of the Company

“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	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), a substantial shareholder of the Company. As at the date of this announcement, Luoyang Guohong is interested in 24.68% of the equity interests of the Company indirectly
“Minsheng Bank Luoyang Branch”	Luoyang branch of China Minsheng Banking Corp., Ltd.

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

Luoyang City, Henan Province, the People’s Republic of China
2 March 2023

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

* *For identification purposes only*