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洛 阳 钼 业
洛 陽 樂 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)

**ANNOUNCEMENT ON ABSORPTION AND MERGER OF
WHOLLY-OWNED SUBSIDIARIES**

On 17 March 2023, the *Resolution on the Absorption and Merger of Wholly-owned Subsidiaries* (《關於吸收合併全資子公司的議案》) was considered and approved at the 8th meeting of the sixth session of the board of directors of CMOC Group Limited* (the “**Company**”). The details are set out as follows:

I. TRANSACTION OVERVIEW

Both Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. (“**Luoyang High Tech**”) and Luanchuan Junlong Mining Co., Ltd. (“**Junlong Mining**”) are wholly-owned subsidiaries of the Company. In order to further improve the Company’s management structure, reduce management cost and enhance operation efficiency, the Company proposed to absorb and merge Luoyang High Tech and Junlong Mining in accordance with the statutory procedures (the “**Absorption and Merger**”).

The Absorption and Merger does not constitute a related party transaction/connected transaction, nor does it constitute a material asset reorganization. According to the relevant laws and regulations including the Company Law of the People’s Republic of China (the “**Company Law**”) and the requirements of the articles of association of the Company (the “**Articles of Association**”), the Absorption and Merger shall be submitted to the shareholders’ general meeting of the Company for consideration and approval.

II. BASIC INFORMATION OF THE MERGED PARTIES

1. Luoyang High Tech

Name of the enterprise: Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd.
Address of the enterprise: Jinxin Road, Xindian Village, Xindian Town, Gaoxin District, Luoyang
Type of the enterprise: limited liability company (sole investment by legal person)
Legal representative: Zhang Taiyang (張太陽)
Registered capital: RMB270,000,000
Unified social credit code: 914103007708665728

Scope of business: production, processing, sale, import and export of metal products and alloyed products (excluding gold, silver, platinum group and precious metals; excluding exploration and development of tungsten, molybdenum, stannum, stibium and fluorites; excluding exploration, exploitation and beneficiation of radioactive minerals); rental service, attestation and consulting service, and provision of service in related ancillary industries. (Projects that must be approved legally can be carried out after approval from relevant authorities)

Whether it is a dishonest person subject to enforcement: No

Recent major financial information:

	<i>Currency: RMB Unit: 0,000</i>	
	January – December 2021 <i>(audited)</i>	January – December 2022 <i>(unaudited)</i>
Operating revenue	8,803.40	15,229.31
Net profit	(102.46)	97.73
	January – December 2021 <i>(audited)</i>	January – December 2022 <i>(unaudited)</i>
Total assets	13,727.60	14,259.32
Net asset	12,533.74	12,642.75

2. Junlong Mining

Name of the enterprise: Luanchuan Junlong Mining Co., Ltd.

Address of the enterprise: 503 North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan Township, Luanchuan County, Luoyang City, Henan Province

Type of the enterprise: limited liability company (sole proprietorship invested or controlled by non-natural person)

Legal representative: Xing Fengchao (邢風超)

Registered capital: RMB10,000,000

Unified social credit code: 91410324054737892N

Scope of business: general exploration of lead mines; sales of lead and zinc mineral products (excluding hazardous chemicals). (Projects that must be approved legally can be carried out after approval from relevant authorities)

Whether it is a dishonest person subject to enforcement: No

Recent major financial information:

	<i>Currency: RMB Unit: 0,000</i>	
	January – December 2021 <i>(unaudited)</i>	January – December 2022 <i>(unaudited)</i>
Operating revenue	0	0
Net profit	(19.11)	(191.56)
	January – December 2021 <i>(unaudited)</i>	January – December 2022 <i>(unaudited)</i>
Total assets	975.34	783.78
Net asset	975.34	783.78

III. METHOD, SCOPE AND RELATED ARRANGEMENTS OF THE ABSORPTION AND MERGER

1. Method of the Absorption and Merger: The Company will merge all assets, creditor's rights and debts, personnel and all other rights and obligations of Luoyang High Tech and Junlong Mining by way of absorption and merger. Upon completion of the Absorption and Merger, the Company's operation, company name and registered capital, etc. shall remain unchanged, and Luoyang High Tech and Junlong Mining shall be deregistered as independent legal persons.
2. Upon completion of the Absorption and Merger, all assets, creditor's rights and debts, personnel and all other rights and obligations of Luoyang High Tech and Junlong Mining shall be succeeded by the Company in accordance with the laws.
3. In accordance with the requirements of laws and regulations, each party under the Absorption and Merger will come into relevant agreements, prepare balance sheets and property lists, perform procedures of notifying creditors and public announcement, and jointly handle procedures of assets transfer, change of ownership, tax liquidation, industrial and commercial deregistration and other procedures as required by the laws and regulations or regulatory requirements.

IV. AUTHORIZATION FOR MATTERS RELATED TO THE ABSORPTION AND MERGER

According to the Company Law and the Articles of Association, the Absorption and Merger shall be submitted to the shareholders' general meeting of the Company for consideration. The board of directors of the Company shall propose to the shareholders' general meeting to grant a mandate to the management of the Company to be responsible for the specific organization and implementation of all matters relating to the Absorption and Merger, including but not limited to the execution of the relevant agreements, transfer of related assets, relocation of personnel, tax liquidation, change in industrial and commercial registration, cancellation of registration and other matters. The authorization shall be valid from the date of consideration and approval by the general meeting to the completion of all matters in relation to the Absorption and Merger.

V. OPINION OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Upon verification, the independent non-executive directors of the Company are of the view that: the procedures of the Absorption and Merger are legal, valid, and in accordance with the requirements of the current laws and regulations and relevant systems of the Company. Through the Absorption and Merger, the Company can improve management structure and enhance operation efficiency in a better manner without prejudice to the interests of the Company and the shareholders as a whole. Therefore, they agree on the Absorption and Merger and agree to submit the proposal to the general meeting of the Company for consideration.

VI. PURPOSE ON THE ABSORPTION AND MERGER AND IMPACT ON THE COMPANY

The Absorption and Merger is beneficial to the Company in further improving the management structure, enhancing operation efficiency, reducing management cost, and is in line with the development strategy of the Company. Luoyang High Tech and Junlong Mining are wholly-owned subsidiaries of the Company. Their operations and business are mainly derived from the Company and their financial statements are already consolidated into the consolidated statements of the Company. The Absorption and Merger is an internal equity integration matter, which does not have any impact on the financial position and operating results of the Company and will not impair the interests of the Company and the shareholders as a whole.

The Absorption and Merger does not involve any change in the name, registered capital or shareholding structure of the Company, and the composition of the board of directors, supervisory committee and senior management of the Company remains unchanged.

The implementation of the Absorption and Merger shall be subject to the consideration and approval at the shareholders' general meeting of the Company. A circular containing, among other things, details of the above proposal, together with the notice of the shareholders' general meeting, will be dispatched to the shareholders of the Company in due course.

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

Luoyang City, Henan Province, the People's Republic of China
17 March 2023

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*