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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)

**VOLUNTARY ANNOUNCEMENT
DISPOSAL OF EQUITY INTERESTS IN A SUBSIDIARY**

This announcement is made by CMOC Group Limited* (the “**Company**”) on a voluntary basis.

On 19 June 2024, the Company and CITIC Guoan Industry Group Co., Ltd. (中信國安實業集團有限公司) (the “**Purchaser**”) entered into an equity transfer agreement (the “**Equity Transfer Agreement**”), pursuant to which the Company agreed to sell, and the Purchaser agreed to acquire, 65.1% equity interests in Xinjiang Luomu Mining Co., Ltd. (新疆洛鉬礦業有限公司) (“**Xinjiang Luomu**”) (corresponding to the paid-in and subscribed registered capital of RMB980 million), for a consideration of RMB2.9 billion (the “**Disposal**”). Upon the completion of the Disposal, Xinjiang Luomu will no longer be a subsidiary of the Company, and the financial statements of Xinjiang Luomu will cease to be consolidated into the financial statements of the Company.

I. THE EQUITY TRANSFER AGREEMENT

Date

19 June 2024

Parties

Seller: the Company

Purchaser: CITIC Guoan Industry Group Co., Ltd.

To the best knowledge and belief of the directors of the Company (the “**Directors**”) having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject Matter

Pursuant to the Equity Transfer Agreement, the Company agreed to sell, and the Purchaser agreed to acquire, 65.1% equity interests in Xinjiang Luomu (corresponding to the paid-in and subscribed registered capital of RMB980 million).

Consideration and Payment

The consideration for the Disposal is RMB2.9 billion, which was determined with reference to the pricing of worldwide comparable transactions (particularly those in the molybdenum industry in China), after arm's length negotiations between the parties and taking into account the book net assets position of Xinjiang Luomu and the valuation report.

The Purchaser shall pay the first installment of consideration of RMB500 million within five working days after the Equity Transfer Agreement becoming effective. The Company shall cooperate with the Purchaser to transfer the equity interests of the subject to the Purchaser within five working days after the payment of the first installment by the Purchaser. The closing of the Disposal shall take place upon the completion of the industrial and commercial registration of the transfer. Upon closing of the Disposal, the Purchaser shall pay the remaining consideration for the transaction according to the agreed term.

Condition Precedent

The completion of the Disposal is subject to the consideration and approval by the shareholders at the general meeting of Xinjiang Luomu.

II. INFORMATION OF THE SUBJECT OF THE TRANSACTION AND THE PARTIES

Xinjiang Luomu

Xinjiang Luomu is a company incorporated in the PRC with limited liability, which is principally engaged in the development of mineral resources and sales of minerals. Prior to the completion of the Disposal, the Company held 65.1% equity interests in Xinjiang Luomu. Xinjiang Luomu has 100% interests in the East Gobi Molybdenum Mine, which is located in Hami, Xinjiang, the PRC. As of the date of this announcement, the East Gobi Molybdenum Mine has not yet carried out mine construction or mining activities.

Set out below is the audited financial information of Xinjiang Luomu prepared in accordance with the Chinese Accounting Standards for Business Enterprises (《中國企業會計準則》):

	As at 31 December 2023	As at 30 April 2024
	<i>(RMB in million)</i>	
Total assets	1,348.3	1,337.6
Net assets	1,338.3	1,336.3

	For the year ended 31 December 2023	For the four months ended 30 April 2024
	<i>(RMB in million)</i>	

Revenue	Nil	Nil
Loss before/after tax	8.9	2.0

Upon the completion of the Disposal, Xinjiang Luomu will no longer be a subsidiary of the Company, and the financial statements of Xinjiang Luomu will cease to be consolidated into the financial statements of the Company. Upon the completion, the Disposal is expected to generate net financial gain of approximately RMB1.5 billion, which is subject to the finalized audited financial report to be disclosed by the Company.

Purchaser

The Purchaser is a limited liability company incorporated in the PRC, which is under the control of CITIC Group Corporation (中國中信集團有限公司). Its principal businesses include new materials, new consumption, etc. To the best knowledge and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Company

The Company 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 Stock Exchange (stock code: 03993) and the SSE (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.

III. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company consistently reviews our business layout and product portfolio from a strategic and holistic perspective, and will continue to focus on new energy metals and important strategic metals. The board of Directors and management of the Company believe that the Disposal will better align with the Group's development priorities, enhance capital allocation efficiency, and continuously strengthen the foundation for stable and healthy growth.

IV. LISTING RULES IMPLICATIONS

As all the applicable percentage ratios pursuant to Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the Disposal are less than 5%, the Disposal will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

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

Luoyang City, Henan Province, the PRC, 19 June 2024

As at the date of this announcement, the executive directors of the Company are Mr. Sun Ruiwen and Mr. Li Chaochun; the non-executive directors of the Company are Mr. Yuan Honglin, Mr. Lin Jiuxin and Mr. Jiang Li; and the independent non-executive directors of the Company are Mr. Wang Kaiguo, Ms. Gu Hongyu and Mr. Cheng Gordon.

* *For identification purposes only*