THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CMOC Group Limited*, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)

REVISION OF ANNUAL CAPS AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS UNDER (1) THE CATL PRODUCT SALES AND PROCUREMENT FRAMEWORK AGREEMENT AND (2) THE KFM PRODUCT SALES AND PROCUREMENT FRAMEWORK AGREEMENT AND PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF RAISED FUNDS AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

RAINBOW CAPITAL (HK) LIMITED
浤博資本有限公司

A letter from the Board is set out on pages 6 to 32 of this circular. Notice convening the EGM to be held at Suzhou Hall, 3rd Floor, River Wing, Pudong Shangri-La, 33 Fucheng Road, Pudong New Area, Shanghai, the PRC at 1:30 p.m. on Thursday, 20 August 2026 is set out on pages EGM-1 to EGM-3 of this circular. The form of proxy for use in connection with the EGM has also been attached to this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete, sign and return the form of proxy applicable to the EGM in accordance with the instructions printed thereon. For H Shareholders, the form of proxy applicable to the EGM should be returned to the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 1:30 p.m. on Wednesday, 19 August 2026 (or if the EGM is adjourned, such time shall be no less than 24 hours before the time designated for holding the relevant meeting).

Completion and return of the form of proxy applicable to the EGM will not preclude you from attending and voting in person at the EGM or any adjournments thereof should you so wish.

* *For identification purposes only*

31 July 2026

CONTENTS

In this circular, unless the context otherwise requires, the following terms and expression have the meanings set forth below:

"2023 Annual Report"	the annual report of the Company for the year ended 31 December 2023 published on 25 April 2024
"EGM"	the 2026 first extraordinary general meeting of the Company (and any adjournment thereof) to be held at 1:30 p.m. on Thursday, 20 August 2026 at Suzhou Hall, 3rd Floor, River Wing, Pudong Shangri-La, 33 Fucheng Road, Pudong New Area, Shanghai, the PRC
"Articles of Association"	the articles of association of the Company
"A Share(s)"	domestic share(s) with a nominal value of RMB0.20 each issued by the Company which are listed on the SSE and traded in RMB (stock code: 603993)
"A Shareholder(s)"	holder(s) of A Shares
"H Share(s)"	overseas listed foreign share(s) with a nominal value of RMB0.20 each in the share capital of the Company which are listed on the main board of the Stock Exchange and are traded in Hong Kong dollars (stock code: 03993)
"H Shareholder(s)"	holder(s) of H Shares
"Agreements"	the CATL Product Sales and Procurement Framework Agreement and the KFM Product Sales and Procurement Framework Agreement
"Company"	CMOC Group Limited* (洛陽欒川鉬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 SSE and the Stock Exchange, respectively
"CMOC Limited"	CMOC Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company as at the Latest Practicable Date
"CMOC Limited Group"	CMOC Limited and its subsidiaries

"CMOC HK"	China Molybdenum (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company as at the Latest Practicable Date
"CMOC HK Group"	CMOC HK and its subsidiaries
"Schmoke"	Schmoke (Shanghai) International Trading Co., Ltd., a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company as at the Latest Practicable Date
"Schmoke Group"	Schmoke and its subsidiaries
"CMOC Group"	the Company and its subsidiaries, excluding KFM Group
"Group"	the Company and its subsidiaries
"CMOC Group Companies"	CMOC Limited Group, CMOC HK Group and Schmoke Group
"CATL"	Contemporary Amperex Technology Co., Limited
"CATL Group"	CATL and its subsidiaries, associates and affiliates
"CATL Continuing Connected Transactions"	the transactions between the CMOC Group Companies and CATL Group under the CATL Product Sales and Procurement Framework Agreement
"Existing CATL Product Sales and Procurement Framework Agreement"	the product sales and procurement framework agreement dated 26 December 2024 entered into between CMOC Limited and CATL
"CATL Product Sales and Procurement Framework Agreement"	the product sales and procurement framework agreement to be entered into between CMOC Limited, CMOC HK, Schmoke and CATL
"Director(s)"	the director(s) of the Company
"Board"	the board of Directors

"Existing Agreements"	the CATL Product Sales and Procurement Framework Agreement and the Existing KFM Product Sales and Procurement Framework Agreement
"Existing KFM Product Sales and Procurement Framework Agreement"	the product sales and procurement framework agreement dated 26 December 2024 entered into by the Company, KFM Holding and KFM Mining
"EV batteries"	cells, modules, battery boxes and battery packs within EV batteries
"ESS batteries"	cells, modules, battery boxes and battery cabinets within ESS batteries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising Mr. Wang Kaiguo, Ms. Gu Hongyu and Mr. Cheng Gordon, the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Agreements and the proposed transactions contemplated thereunder (including the proposed annual caps thereto)
"Independent Financial Adviser" or "Rainbow Capital"	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Agreements and the proposed transactions contemplated thereunder (including the proposed annual caps thereto)
"Independent Shareholders"	Shareholders other than CATL and its associates
"IXM"	IXM Holding S.A., which is a wholly-owned subsidiary of the Company. Reference to IXM also includes its subsidiaries and affiliates
"K2 Project"	the phase II expansion of the KFM Copper and Cobalt Mine

"KFM" or "KFM Mining"	CMOC KISANFU MINING SARL, a company incorporated in Democratic Republic of the Congo with limited liability, which is a subsidiary of KFM Holding
"KFM Continuing Connected Transactions"	the transactions between CMOC Group and KFM Group under the KFM Product Sales and Procurement Framework Agreement
"KFM Copper and Cobalt Mine"	Kisanfu Copper and Cobalt Mine Area located in Congo (DRC)
"KFM Group"	KFM Holding and its subsidiaries
"KFM Holding"	KFM Holding Limited, a company incorporated in Hong Kong with limited liability, which is ultimately controlled as to 75% and 25% by the Company and CATL, respectively, as at the Latest Practicable Date
"KFM Product Sales and Procurement Framework Agreement"	the product sales and procurement framework agreement to be entered into by the Company and KFM Holding
"Latest Practicable Date"	28 July 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LME"	London Metal Exchange
"PRC" or "China"	the People's Republic of China (for the purposes of this circular, excluding Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan)
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of Shares, including both A Shareholder(s) and H Shareholder(s)

"SSE"	the Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US"	The United States of America
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

In addition, the terms "associate", "connected person", "connected subsidiary(ies)", "connected transaction", "continuing connected transaction", "controlling shareholder", "percentage ratio(s)", "subsidiary(ies)" and "substantial shareholder" shall have the meanings ascribed to them under the Listing Rules.

* *For identification purposes only*

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)

Executive Directors:
LIU Jianfeng *(Chairman)*
PENG Xuhui
QUE Chaoyang *(Employee Director)*

Non-executive Directors:
LIN Jiuxin (*Vice Chairman*)
JIANG Li
MA Fei

Independent non-executive Directors:
WANG Kaiguo
GU Hongyu
CHENG Gordon

Registered Office:
North of Yihe
Huamei Shan Road
Chengdong New District
Luanchuan County
Luoyang City
Henan Province
The People's Republic of China

Principal place of business in Hong Kong:
31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

31 July 2026

To the Shareholders

Dear Sir/Madam,

REVISION OF ANNUAL CAPS AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS UNDER
(1) THE CATL PRODUCT SALES AND PROCUREMENT FRAMEWORK AGREEMENT
AND
(2) THE KFM PRODUCT SALES AND PROCUREMENT FRAMEWORK AGREEMENT
AND
PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF RAISED FUNDS
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

We refer to the announcement of the Company dated 31 July 2026 in relation to, among other things, the revision of annual caps and renewal of continuing connected transactions under each of the CATL Product Sales and Procurement Framework Agreement and the KFM Product Sales and Procurement Framework Agreement, and details of the proposed amendments to the Rules for Management of Raised Funds and the Articles of Association, respectively.

* *For Identification purposes only*

The purpose of this circular is to provide you with, among other things, (i) details of the continuing connected transactions under each of the Agreements; (ii) the advice of the Independent Financial Adviser in respect of the terms of each of the Agreements and the proposed transactions contemplated thereunder (including the proposed annual caps thereto); (iii) the recommendation of the Independent Board Committee to the Shareholders in respect of each of the Agreements and the proposed transactions contemplated thereunder (including the proposed annual caps thereto); (iv) details of the proposed amendments to the Rules for Management of Raised Funds; (v) details of the proposed amendments to the Articles of Association; (vi) the notice of the EGM; and (vii) other information as required under the Listing Rules.

2. CONTINUING CONNECTED TRANSACTIONS

We refer to the announcement of the Company dated 31 July 2026 in relation to, among other things, the continuing connected transactions under each of the CATL Product Sales and Procurement Framework Agreement and the KFM Product Sales and Procurement Framework Agreement, respectively. As at the Latest Practicable Date, the existing annual caps under the CATL Product Sales and Procurement Framework Agreement and the KFM Product Sales and Procurement Framework Agreement for the year ending 31 December 2026 have not been exceeded. As it is contemplated that: (i) benefiting from technical upgrades and capacity expansion, KFM's output of copper, its principal metal product, is expected to increase substantially. Together with the recent uptrend in international copper prices, the transaction value is projected to grow significantly; (ii) in view of the quota regime implemented in the DRC for cobalt exports, both the export volume and market price of cobalt are expected to experience considerable fluctuations during the period from 2026 to 2028; and (iii) the Existing Agreements will expire on 31 December 2027, but the transactions contemplated thereunder are expected to continue beyond such expiry; and (iv) the existing annual caps under each of the Existing Agreements will not be sufficient to fulfill the expected increase of transaction amounts thereunder, the Board approved on 31 July 2026 (i) the entering into the CATL Product Sales and Procurement Framework Agreement with CATL; and (ii) the entering into the KFM Product Sales and Procurement Framework Agreement with KFM Holding, conditioned upon the parties obtaining their own necessary authorization or approval, respectively, in accordance with the relevant provisions in their own articles of association or constitutional or similar documents and applicable listing rules. Upon the Agreements becoming effective, the Existing Agreements will be terminated and superseded by the Agreements. Transactions entered into before the effective date of the Agreements and any outstanding subsequent agreements, orders or purchase orders entered into under the Existing Agreements before such date will remain valid and continue to be governed by their terms, unless otherwise agreed by the relevant parties. From the effective date of the Agreements, all new transactions falling within the scope of the Agreements will be conducted pursuant to the terms of the Agreements.

I. The CATL Continuing Connected Transactions

Principle Terms of the CATL Product Sales and Procurement Framework Agreement

Parties	(a) CMOC Limited, CMOC HK and Schmoke; and (b) CATL
Term	From the date the CATL Product Sales and Procurement Framework Agreement is entered into to 31 December 2028, conditioned upon the parties obtaining their own necessary authorization or approval, respectively, in accordance with the relevant provisions in their own articles of association or constitutional or similar documents and applicable listing rules.
Subject Matter	(1) the CMOC Group Companies agree to sell and CATL Group agrees to purchase, including but not limited to, copper, cobalt and nickel products; and (2) the CMOC Group Companies agree to purchase and CATL Group agrees to sell, including but not limited to, copper and nickel products, and EV batteries and ESS batteries.
Subsequent Agreements	the CMOC Group Companies and CATL Group will enter into individual subsequent agreements with respect to each transaction contemplated under the CATL Product Sales and Procurement Framework Agreement according to the principles prescribed thereunder (the "**CATL Subsequent Agreement(s)**").
Pricing Policies	***(1) As for the products to be provided by the CMOC Group Companies to CATL Group*** It is agreed that the price for each lot of the products purchased by CATL Group under each CATL Subsequent Agreement should be determined on the basis of market-based pricing principle, subject to certain adjustments mainly involving the cost of funds, the basic pricing coefficient, the moisture content, the percentage of metal content and the impurity element content in the metals. The agreed price shall be determined after arm's length negotiation between both parties to ensure that the price is fair and reasonable and on normal commercial terms.

Pursuant to the CATL Subsequent Agreement, if CATL Group shall make prepayment for certain proposed transactions, the CMOC Group Companies shall each pay interests on such prepayments. The interest rate will be determined by both parties to the contract through amicable consultations with reference to the U.S. bond yield and fixed rate of interest rate swaps at a margin of no more than 2% over the U.S. bond yield of same maturity, and taking into account factors including the parties' respective financing costs and the Federal Reserve's view on the trend of interest rates.*

(2) As for the products to be purchased by the CMOC Group Companies from CATL Group

It is agreed that the price for each lot of the products purchased by the CMOC Group Companies under each CATL Subsequent Agreement should be determined on the basis of market-based pricing principle, subject to certain adjustments mainly involving the cost of funds, the basic pricing coefficient, the moisture content, the percentage of metal content and the impurity element content in the metals. The agreed price shall be determined after arm's length negotiation between both parties to ensure that the price is fair and reasonable and on normal commercial terms.

* In 2021, the Company acquired KFM Copper and Cobalt Mine, a world-class undeveloped copper and cobalt mine, and reached a strategic partnership with CATL on a new energy project. To achieve production of KFM Copper and Cobalt Mine, the Company needs to make significant capital investment. Taking into account CATL's demand for stable supply of new energy metal resources, the Company's development costs, and the bulk nature of the metal products, therefore it is an industry norm for both parties to reach a prepayment agreement in usual course of business. CATL provides prepayment with reference to the market interest rate (referred to as the interest rate pricing mentioned above). For further details of the prepayment and its interest rate, please refer to the section headed "Interests to be paid by the CMOC Group Companies to CATL Group in relation to the prepayment" below.

The market price of copper, cobalt and nickel products will be referred to (i) the copper price quoted by LME (https://www.lme.com/); or (ii) the cobalt price quoted by Fastmarkets (https://www.fastmarkets.com/), a cross-commodity price reporting agency in metal, mining and other markets, multiplied by the relevant price coefficient; or (iii) the nickel products price quoted by LME, Mysteel (https://www.mysteel.net/), Shanghai Metals Market (https://www.smm.cn/) and/or Shanghai Futures Exchange (https://www.shfe.com.cn/) adjusted by relevant price coefficient. The price will be determined with reference to the sales price charged by other well-known mining companies in the place of sale or receiving market, as well as recognized commodity trading indexes comparable to LME or Fastmarkets (such as SMM Information & Technology Co., Ltd., Shanghai Futures Exchange or the Chicago Mercantile Exchange).

The market prices of the EV batteries and ESS batteries are determined through commercial negotiation between the parties on an arm's length basis, primarily based on prices of products of similar natures that CATL Group supplies to other independent third parties in the market, and taking into account various factors including but not limited to product types, transaction volumes and production costs.

Historical Transaction Amounts and Annual Caps

Historical Transaction Amounts

The historical transaction amounts under the Existing CATL Product Sales and Procurement Framework Agreement are as follows:

	For the Year Ended 31 December 2024		For the Year Ended 31 December 2025		For the Five Months Ended 31 May 2026	For the Year Ending 31 December 2026
	Historical Transaction Amount	Existing Annual Cap	Historical Transaction Amount	Existing Annual Cap	Historical Transaction Amount	Existing Annual Cap
			(US$ million)			
Products sold by CMOC Limited Group to CATL Group *(Note 1)*	800.27	1,800	359.21	2,150	489.77	2,200
Products purchased by CMOC Limited Group from CATL Group *(Note 2)*	40.39	600	115.41	850	406.41	900

	For the Year Ended 31 December 2024		For the Year Ended 31 December 2025		For the Five Months Ended 31 May 2026	For the Year Ending 31 December 2026
	Historical Transaction Amount	Existing Annual Cap	Historical Transaction Amount	Existing Annual Cap	Historical Transaction Amount	Existing Annual Cap
			(US$ million)			
Interests paid by CMOC Limited Group to CATL Group in relation to the prepayment	102.35	110	82.51	93	20.57	80

Notes:

1. The relatively low historical transaction amount for the two years ended 31 December 2025 and the five months ended 31 May 2026 in relation to the products sold by CMOC Limited Group was primarily attributable to: (a) the lower market price of cobalt products than the estimated. As disclosed in the 2023 Annual Report, the international market price of cobalt metal in 2023 was US$15.11 per pound, which was significantly lower than that in 2022 of US$30.29 per pound, being the then basis for determination of the existing annual caps for the year ending 31 December 2024; (b) the ban on all cobalt exports by the government of the DRC, where our cobalt mines are located in, from February 2025 till October 2025 and, despite the lift of the export ban in October 2025, the slow customs clearance for exports from the DRC, resulting in only limited exports taking place in the first quarter of 2026; and (c) a relatively low quantity of metal products sold by CMOC Limited Group to CATL Group as a result of the business decision of the both parties after considering the market condition and degree of alignment of metal products sold by CMOC Limited Group with production demands from CATL Group.

2. The relatively low historical transaction amount for the two years ended 31 December 2025 in relation to the products purchased by CMOC Limited Group was primarily attributable to the business decision of IXM made during its ordinary course of trading business. When conducting non-ferrous metal trading business and making procurement-related decisions, IXM would comprehensively evaluate a wide range of market and operational factors, including real-time global metal prices and forecasts of medium – to long-term price trends, the Group's overall inventory and resource allocation planning, the stability of upstream supply, and the alignment with downstream end-customer demand. At the same time, IXM would take into account the requirements from specific downstream customers on transaction terms, such as metal types, procurement volume, delivery timelines and locations, and pricing mechanisms. As the metal products supplied by CATL Group did not fully coincide with the demand of IXM's potential downstream customers during the above-mentioned period, IXM purchased a relatively low quantity of products from CATL Group during such period.

Proposed Annual Caps

The proposed revision of annual caps for the continuing connected transactions contemplated under the CATL Product Sales and Procurement Framework Agreement for the two years ending 31 December 2027 and the proposed annual cap for the year ending 31 December 2028 are set out as follows:

	For the Year ending 31 December 2026		For the Year ending 31 December 2027		For the Year ending 31 December 2028	
	Existing Annual Caps	Revised Annual Caps	Existing Annual Caps	Revised Annual Caps	Existing Annual Caps	Annual Caps
			(US$ million)			
Products sold by the CMOC Group Companies to CATL Group	2,200	3,850	2,900	4,300	–	5,000
Products purchased by the CMOC Group Companies from CATL Group	900	1,350	1,100	1,850	–	1,900
Interests paid by the CMOC Group Companies to CATL Group in relation to the prepayment	80	90	70	85	–	80

Reasons for revising the annual caps

The proposed new annual caps for the sales of products by the CMOC Group Companies to CATL Group, purchases of products by the CMOC Group Companies from CATL Group, and interest payable by the CMOC Group Companies to CATL Group in relation to the prepayment were determined with reference to the relevant forecast calculations, taking into account the expected transaction volumes for the sale and purchase of copper, cobalt and nickel products, the projected production plans and trading activities of the Group, CATL Group's anticipated demand for battery raw materials, the expected utilisation of prepayment arrangements and the corresponding projected outstanding balances. In assessing the new annual caps, the Company has also considered prevailing and expected market conditions, including assumptions on metal prices and interest rates, the continued expansion of the commercial cooperation between the parties and the Group's future operational and business development needs. The proposed annual caps further include a 10% buffer for the fluctuation caused by potential fluctuations in transaction volumes, commodity prices, financing requirements and market conditions.

Basis for Determining the Proposed Annual Caps

Products to be sold by the CMOC Group Companies to CATL Group

The following factors have been taken into account in determining the proposed annual caps for the three years ending 31 December 2028:

(a) the estimated quantity of copper, cobalt and nickel products to be supplied by the CMOC Group Companies to CATL Group set forth as below:

	For the year ending		
	31 December 2026	**31 December 2027**	**31 December 2028**
Copper products	55,513 tonnes	84,983 tonnes	82,219 tonnes
Cobalt products	45,700 tonnes	46,000 tonnes	58,000 tonnes
Nickel products	5,000 tonnes	5,000 tonnes	5,000 tonnes

The quantity of copper and cobalt products to be supplied by the CMOC Group Companies to CATL Group for the three years ending 31 December 2028 is estimated based on (i) the expected average production volume of KFM Copper and Cobalt Mine of approximately 300,000 tonnes per annum of copper products and 130,000 tonnes per annum of cobalt products for the three years ending 31 December 2028 as benefiting from technical upgrades and capacity expansion, KFM's output of copper, its principal metal product, is expected to increase substantially; and (ii) the expected demand of CATL Group for such products produced by KFM Copper and Cobalt Mine based on previous negotiations with CATL Group, the amount of which is reflected in the estimated quantities set out in the table above.

In respect of nickel products to be supplied by the CMOC Group Companies to CATL Group for the three years ending 31 December 2028, the Company has made reference to the equity production capacity of nickel products through its investments and joint-development in PT. Huayue Nickel Cobalt (Indonesia) Co., Limited of 60,000 tonnes per annum, the possible amount of nickel products to be purchased by the CMOC Group Companies during its trading process and the expected demand of CATL Group for such products as set out in the table above.

(b) the estimated unit market price for copper, cobalt and nickel products for the three years ending 31 December 2028, which is based on (i) the international average spot price of copper for the five months ended 31 May 2026 of US$12,977 per tonne quoted by LME plus a growth rate of 10%, with significant increase compared to US$8,483 per tonne as disclosed in the 2023 Annual Report which formed the basis for determining the existing annual caps. The adoption of a growth rate of 10% in projecting the unit market prices of copper products is primarily due to the fact that the copper prices hit new multi-year highs in 2026 as a result of supply disruptions, increased industrial demand and structural shortages in global mining markets and such conditions are considered to sustain in the coming years; (ii) the international market price of cobalt metal for the five months ended 31 May 2026 of US$25.68 per pound (approximately US$56,614.7 per tonne) quoted by Fastmarkets, with significant increase compared to US$15.11 per pound (approximately US$33,312 per tonne) as disclosed in the 2023 Annual Report which formed the basis for determining the existing annual caps, multiplied by the pricing coefficient of 99.49% derived from the historical cobalt hydroxide payable factors published by Fastmarkets, to reflect the quality and specification differentials between cobalt hydroxide and standard-grade cobalt metal; and (iii) the international average spot price of nickel metal for the five months ended 31 May 2026 of US$17,753 per tonne quoted by LME.

The proposed annual caps are then arrived at by the estimated quantity of copper, cobalt and nickel products to be supplied by the CMOC Group Companies to CATL Group for the three years ending 31 December 2028 multiplied by the respective unit market price of copper, cobalt and nickel products, plus a 10% buffer for fluctuation in the price for copper, cobalt and nickel products in the future.

Products to be purchased by the CMOC Group Companies from CATL Group

The following factors have been taken into account in determining the proposed annual caps for the three years ending 31 December 2028:

(a) the possible amount of nickel and copper products to be purchased by the CMOC Group Companies from CATL Group during its trading process.

The Group, through IXM, engages in metal trading as part of its ordinary and usual course of business. Nickel and copper products are among the commodities traded by IXM during its ordinary and usual course of business.

For the nickel products, the Company believes that the growth rate of nickel demand for stainless steel is relatively stable at about 4% annually for the last three years, while the nickel demand for power battery is its main source of growth, which would support the steady and sustainable market demand for nickel products. At the same time, the nickel inventories on the exchanges remain at a relatively low level, which will form an underlying support for nickel prices. For the copper products, the Company takes into consideration the estimated production volume of copper products of CATL Group in the future as well as the strategic procurement allocation of the Group in terms of the copper products. Therefore, the estimated quantity of nickel products to be purchased by the CMOC Group Companies from CATL Group is arrived at approximately 12,000 tonnes, 12,000 tonnes and 12,000 tonnes for the three years ending 31 December 2028, respectively, and the estimated quantity of copper products to be purchased by the CMOC Group Companies from CATL Group is approximately 60,000 tonnes, 90,000 tonnes and 100,000 tonnes for the three years ending 31 December 2028, respectively, taking into consideration (i) the negotiation with CATL Group who has agreed that its production capacity can fulfil the estimated quantity; and (ii) the aforesaid estimations of market demand as well as the Group's own demand of such products during the ordinary trading business of IXM for the following three years.

(b) the estimated unit market price for nickel and copper products for the three years ending 31 December 2028, which is based on (i) the international average spot price of nickel metal for the five months ended 31 May 2026 of US$17,753 per tonne quoted by LME; and (ii) the international average spot price of copper for the five months ended 31 May 2026 of US$12,977 per tonne quoted by LME plus a growth rate of 10%. The adoption of a growth rate of 10% in projecting the unit market prices of copper products is primarily due to the fact that the copper prices hit new multi-year highs in 2026 as a result of supply disruptions, increased industrial demand and structural shortages in global mining markets and such conditions are considered to sustain in the coming years. The proposed annual caps are then arrived at by the estimated quantity of nickel and copper products to be purchased by the CMOC Group Companies for the three years ending 31 December 2028 multiplied by the unit market price of nickel and copper products, respectively, plus the estimated amount to be paid by the CMOC Group Companies to CATL Group for the purchase of the EV batteries and ESS batteries, plus a 10% buffer for fluctuation in the price for nickel and copper products as well as the EV batteries and ESS batteries in the future.

Interests to be paid by the CMOC Group Companies to CATL Group in relation to the prepayment

The following factors have been taken into account in determining the proposed annual caps for the three years ending 31 December 2028: (a) the estimated outstanding balance as of approximately US$1,631,885,834.00, US$1,539,678,281.00 and US$1,438,576,009.00 for the prepayment made by CATL Group to the CMOC Group Companies in 2026, 2027 and 2028 respectively; (b) an estimated annual interest rate of approximately 5.00%, which is determined with reference to the range of the interest rate for long-term borrowing of the Group; (c) the arrangement of reducing principal amount of prepayment through the sale of copper, cobalt and nickel products by CMOC Group Companies to CATL Group for the three years ending 31 December 2028; and (d) a 10% buffer for fluctuation in the outstanding balance for the prepayment made by CATL Group to the CMOC Group Companies in the three years ending 31 December 2028 resulted from the *ad hoc* purchases to be made by CATL Group.

Reasons for and Benefits of the CATL Product Sales and Procurement Framework Agreement

CATL is a global leader of new energy innovative technologies and a leading player in the battery industry of China. Copper, cobalt, nickel and lithium are critical battery materials. The Company has established a strategic partnership with CATL Group in 2021 to jointly develop KFM Copper and Cobalt Mine. In order to consolidate the strategic partnership with CATL Group and expand its supplier base, the Company decided to directly purchase nickel products produced by CATL Group from CATL Group. Such nickel products mainly include nickel intermediate products (ferronickel), which are different from the refined nickel products, the main nickel products to be sold by the Group to CATL, in following aspects: (i) in terms of production processes, ferronickel is obtained by smelting nickel ore while refined nickel is separated from nickel ore generally through electrolytic refining; (ii) in terms of standards and qualities, ferronickel is stable both physically and chemically and refined nickel has a relatively high purity due to the difference of chemical compositions in such two products; and (iii) in terms of applications, ferronickel is mainly used in the production of stainless steel, alloy steel, alloy castings and other high-strength materials, while refined nickel is widely used in the high-tech industry.

In addition, nickel and copper products are among the commodities traded by IXM during its ordinary and usual course of business. CATL Group is one of market players in the international trading market for such nickel and copper products. Through metal trading, the Group is able to respond to changes in price and market demands for metal products and timely adjust to its operations, thus hedging the fluctuations brought by the business cycle of the conventional resources business.

By entering into the CATL Product Sales and Procurement Framework Agreement, the Company would be able to strengthen the strategic cooperation relationship with CATL Group, which is conducive for the Group's formulation of its new energy industrial layout.

The Directors (including the independent non-executive Directors) are of the view that the CATL Product Sales and Procurement Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

II. The KFM Continuing Connected Transactions

Principle Terms of the KFM Product Sales and Procurement Framework Agreement

Parties (a) the Company; and

(b) KFM Holding

Term From the date the KFM Product Sales and Procurement Framework Agreement is entered into to 31 December 2028, conditioned upon the parties obtaining their own necessary authorization or approval, respectively, in accordance with the relevant provisions in their own articles of association or constitutional or similar documents and applicable listing rules

Subject Matter (i) CMOC Group agrees to purchase and KFM Group agrees to sell, including but not limited to, copper and cobalt products; (ii) CMOC Group agrees to sell and KFM Group agrees to purchase the equipment, materials, electricity and relevant services, etc.

Subsequent Agreements Members of CMOC Group and KFM Group will enter into the subsequent agreement with respect of each transaction contemplated under the KFM Product Sales and Procurement Framework Agreement according to the principles prescribed thereunder (the "**KFM Subsequent Agreement(s)**").

Pricing Policies ***(1) As for the products to be purchased by CMOC Group from KFM Group***

It is agreed that the price for each lot of the products purchased by CMOC Group under each KFM Subsequent Agreement should be determined on the basis of market-based pricing principle, subject to certain adjustments mainly involving the cost of funds, the basic pricing coefficient, the moisture content, the percentage of metal content and the impurity element content in the metals. The agreed price shall be determined after arm's length negotiation between parties to the agreement to ensure that the price is fair and reasonable and on normal commercial terms.

The market price of copper and cobalt products will be referred to (i) the copper price quoted by LME (https://www.lme.com/); or (ii) the cobalt price quoted by Fastmarkets (https://www.fastmarkets.com/) multiplied by the relevant price coefficient. The price will be determined with reference to the sales price charged by other well-known mining companies in the place of sale or receiving market, as well as recognized commodity trading indexes comparable to LME or Fastmarkets (such as SMM Information & Technology Co., Ltd., Shanghai Futures Exchange or the Chicago Mercantile Exchange).

Pursuant to the KFM Subsequent Agreement, if CMOC Group shall make prepayment for certain proposed transactions, KFM Group shall pay interests on such prepayments. The interest rate will be determined by the parties to the agreement upon amicable negotiations with reference to the US$ Secured Overnight Financing Rate (SOFR) and the interest rates of the medium and long term loans granted by third party financial institutions to CMOC Group plus a margin of 2% to 6%, taking into account the factors including the regulatory requirement and US$ financing costs in the DRC, the return on deposit funds, and the Federal Reserve's view on the trend of interest rates.*

(2) As for the equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group to KFM Group

Equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group, leveraging the strength of its own global platform of centralized procurement, to KFM Group include the following: (i) pumps, valves, transformers, construction vehicles, and other equipment; (ii) sulfur, magnesium oxide, steel balls, sodium hydroxide, and other materials; (iii) electricity; and (iv) management, information technology and other relevant services. The price for each lot of equipment, materials, electricity and relevant services, etc. sold by CMOC Group under each KFM Group Subsequent Agreement will be adjusted based on factors including the market price, the actual quality and the delivery method, and by adding or subtracting costs incurred in related logistical processes.

* KFM Group is a subsidiary of the Company. Considering the bulk nature of the metal products, therefore it is an industry norm for both parties to reach a prepayment agreement in usual course of business. CMOC Group provides prepayment with reference to the market interest rate (referred as the interest rate pricing mentioned above). For further details of the prepayment and its interest rate, please refer to the section headed "Interests to be paid by KFM Group to CMOC Group in relation to the prepayment" below.

The market price of the equipment and relevant services will be referred to the price of the same or similar products or services provided by an independent third party during the ordinary course of business on normal commercial terms; and the market price of the materials will be referred to the price quoted (i) by ARGUS Sulphur for sulfur; (ii) on chinaccm.com and mysteel.com for steel balls; (iii) on baiinfo.com for sodium hydroxide as adjusted with reference to the PPI of the chemicals in US and Ireland. The market price of electricity will be determined according to the prevailing local electricity price. If there is no comparable market price, the price shall be determined in accordance with the principle of reasonable cost plus reasonable profit, and the agreed price shall be determined after arm's length negotiation between the parties to the agreement to ensure that the price in relation to the above transactions is fair and reasonable and on normal commercial terms. The reasonable profit margin shall be determined with reference to the historical average price for similar products and services, or the prevailing commodity relevant to the products, electricity and services (where applicable), nature of products and services, the overall demand and supply in the industry and urgency of orders, the prevailing exchange rate, the profit margin released by independent third parties in the industry and nearby regions (to the extent available) and/or the profit margin of comparable products and services disclosed by other listed companies on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or domestic bond markets, from which the Company is able to draw references (where applicable).

Due to the wide range of the categories of the equipment, materials and relevant services to be provided by CMOC Group to KFM Group, it would be difficult for the Company to estimate at the moment a reasonable range of the profit margin. However, the Company will provide the equipment, materials, electricity and relevant services after considering the overall demand and supply in the industry and the actual circumstance of the Company based on the reasonable estimation of the management. The relevant profit margin will also be subject to the review of internal control measures of the Company including the discussion with relevant department head and the management before decision.

Historical Transaction Amounts and Annual Caps

Historical Transaction Amounts

The historical transaction amounts under the Existing KFM Product Sales and Procurement Framework Agreement are as follows:

	For the Year ended 31 December 2024		For the Year ended 31 December 2025		For the Five Months ended 31 May 2026	For the Year Ending 31 December 2026
	Historical Transaction Amount	Existing Annual Cap	Historical Transaction Amount	Existing Annual Cap	Historical Transaction Amount	Existing Annual Cap
			(US$ million)			
Products purchased by CMOC Group from KFM Group	2,355.64	2,400.00	2,787.47	3,500.00	1,334.42	3,800.00
Equipment, materials, relevant services, etc. to be provided by CMOC Group to KFM Group *(Note)*	323.79	400.00	261.14	1,400.00	426.56	1,000.00
Interests paid by KFM Group to CMOC Group in relation to the prepayment	0.02	45.00	–	45.00	–	45.00

Note: The relatively low historical transaction amount in terms of equipment, materials, relevant services, etc. for the year ended 31 December 2025 in relation to the equipment, materials, relevant services, etc. provided by CMOC Group to KFM Group was primarily attributable to: (i) the implementation of cost control measures for CMOC Group's existing businesses; and (ii) adjustments to the implementation timelines for CMOC Group's new projects in 2025.

Proposed Annual Caps

The proposed revision of annual caps for the continuing connected transactions contemplated under the KFM Product Sales and Procurement Framework Agreement for the two years ending 31 December 2027 and the proposed annual cap for the year ending 31 December 2028 are set out as follows:

	For the Year ending 31 December 2026		For the Year ending 31 December 2027		For the Year ending 31 December 2028	
	Existing Annual Caps	Revised Annual Caps	Existing Annual Caps	Revised Annual Caps	Existing Annual Caps	Annual Caps
			(US$ million)			
Products purchased by CMOC Group from KFM Group	3,800	6,050	5,000	7,800	–	14,000
Equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group to KFM Group	1,000	1,300	1,000	1,500	–	1,450
Interests paid by KFM Group to CMOC Group in relation to the prepayment	45	45	45	45	–	45

Reasons for revising the annual caps

Production output by CMOC Group increased as it implemented technical upgrades and capacity expansion, leading to an increase in output. After considering the increase in production efficiency, the improved recovery rate and economies of scale, it is expected that KFM will reach average annual production volume of approximately 300,000 tonnes of copper products and 130,000 tonnes of cobalt products in the coming three years. As KFM is one of the Group's important resources and reserves of copper and cobalt products, the Group intends to purchase all of the copper and cobalt products to be produced by KFM to ensure the stableness of the Group's daily business and satisfy the increased market demand. On the other hand, as disclosed above, in October 2025, the DRC government lifted the cobalt export ban and implemented a cobalt quota export policy. The existing cobalt quota export policy has specified KFM's cobalt export quota in 2026 and 2027, while there is no information on whether the DRC government will release or continue to impose such quota restriction in 2028. As such, the quantity of cobalt products to be supplied by KFM Group to CMOC Group for the two years ending 31 December 2027 is restricted by the KFM's cobalt export quota while the quantity of cobalt products to be supplied by KFM Group to CMOC Group for the year ending 31 December 2028 is based on the expected production capacity of KFM. With the additional production capacity of the K2 Project in 2027 leading to an increase in expected purchase volume, coupled with the increased estimated prices for copper and cobalt products compared to the figures previously used as the bases for determining the existing annual caps, the annual caps for 2026 and 2027 were adjusted.

Basis for Determining the Proposed Annual Caps

Products to be purchased by CMOC Group from KFM Group

The following factors have been taken into account in determining the proposed annual caps for the three years ending 31 December 2028:

(a) the estimated quantity of copper and cobalt products to be purchased by CMOC Group from KFM Group, which is determined based on the estimated production volume of copper and the export volume of cobalt products of KFM Group in the future as well as the expected demand of the Group in terms of such products provided by KFM Group.

The KFM Copper and Cobalt Mine's production volume of copper products and cobalt products reached approximately 226,000 tonnes and 85,000 tonnes respectively for the year ended 31 December 2025. Meanwhile, the K2 Project will be put into production in 2027. After considering the increase in production efficiency, the improved recovery rate and economies of scale, it is expected that KFM will reach average annual production volume of approximately 300,000 tonnes of copper products and 130,000 tonnes of cobalt products in the three years ending 31 December 2028. In order to take advantage of the opportunities from the global strategy of carbon neutrality and carbon peaks and to realize the vision and goals, the Company has formulated a development path by expediting the construction and production of the K2 Project. As the K2 Project is one of the Group's important resources and reserves of copper and cobalt products, the Group intends to purchase all of the copper and cobalt products produced by the K2 Project to ensure the stability of the Group's daily business and meet the growing market demand.

(b) the estimated unit market price for copper and cobalt products for the three years ending 31 December 2028, which is based on (i) the international average spot price of copper for the five months ended 31 May 2026 of US$12,977 per tonne quoted by LME and a growth rate of 10%. The adoption of a growth rate of 10% in projecting the unit market prices of copper products is primarily due to the fact that the copper prices hit new multi-year highs in 2026 as a result of supply disruptions, increased industrial demand and structural shortages in global mining markets and such conditions are considered to sustain in the coming years; and (ii) the international average spot price of cobalt metal for the five months ended 31 May 2026 of US$25.68 per pound (approximately US$56,614.7 per tonne), multiplied by the pricing coefficient of 99.49% derived from the historical cobalt hydroxide payable factors published by Fastmarkets, to reflect the quality and specification differentials between cobalt hydroxide and standard-grade cobalt metal.

The proposed annual caps are then arrived at by the estimated quantity of copper and cobalt products to be supplied by KFM Group to CMOC Group for the three years ending 31 December 2028 multiplied by the respective unit market price of copper and cobalt products, plus a 10% buffer for fluctuation in the price for copper and cobalt products in the future.

Equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group to KFM Group

The following factors have been taken into account in determining the proposed annual caps for the three years ending 31 December 2028: references were made to the actual transaction amounts during the first five months of 2026 and a reassessment of the expected transaction amounts for the three years ending 31 December 2028. In estimating the annual caps, the Company has taken into account: (i) the progress of the K2 Project as mentioned above; (ii) the expected management, information technology and other relevant services in the amount of approximately US$91 million US$101 million and US$121 million for each of the three years ending 31 December 2028 respectively to be provided by the CMOC Group to the KFM Group; (iii) the KFM Group's projected procurement requirements for equipment, materials and operational supplies (including its anticipated capital expenditure requirements in connection with expansion projects and sustaining capital expenditure programmes) in the amount of approximately US$1,090 million, US$978 million and US$923 million for each of the three years ending 31 December 2028 respectively; and (iv) the expected supply of electricity by the CMOC Group to the KFM Group under the relevant power projects in the amount of approximately US$240 million for each of the two years ending 31 December 2028 respectively. The estimated transaction amounts were calculated based on projected production volumes, expected procurement quantities, prevailing market prices and quotations and the implementation timetable of the relevant projects, and include a 10% buffer for the fluctuation caused by the inflation and increasing administrative cost for human resources.

Interests to be paid by KFM Group to CMOC Group in relation to the prepayment

The following factors have been taken into account in determining the proposed annual caps for the three years ending 31 December 2028: (a) the maximum prepayment of approximately US$500 million to be made by CMOC Group to KFM Group; (b) the estimated annual interest rate of approximately 9% considering the relatively high financing costs in the DRC; and (c) the prepayment to be made was determined after negotiations with KFM Group based on the expected average production volume of KFM Group and the corresponding expected demand of CMOC Group.

Reasons for and Benefits of the KFM Product Sales and Procurement Framework Agreement

KFM Copper and Cobalt Mine is a world-class high-grade mine. By entering into the KFM Product Sales and Procurement Framework Agreement, the Company would be able to ensure the stableness of the Group's daily business and satisfy future demand of the Group from time to time, which is in the overall interests of the Group. Restricted by the limited level of local industrial development, KFM Group must import some necessary manufacturing equipment, materials, electricity and relevant services from overseas. Against this background, in order to reduce production costs, the Company decided to provide relevant manufacturing equipment, materials, electricity and relevant services to KFM Group by utilizing its own global procurement platform. The Company's current annual cap is determined based on KFM Copper and Cobalt Mine's preliminary production plan.

The Directors (including the independent non-executive Directors) are of the view that the KFM Product Sales and Procurement Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, the copper and cobalt products sold to CATL Group from the CMOC Group Companies are not necessarily from the copper and cobalt products purchased from KFM Group. KFM Holding is a subsidiary of the Group, therefore CMOC Group's purchase from KFM Group is an intra-group transaction but not a resale arrangement.

III. Internal Control Measures

In order to effectively implement the Agreements, the Company has adopted the following internal control measures:

(1) The Company has designated a specific department to monitor the market price of the products, equipment, materials, electricity and relevant services provided or purchased.

- As for the products to be provided by the CMOC Group Companies to CATL Group under the CATL Product Sales and Procurement Framework Agreement, the department will (i) check the quotations of copper, cobalt and nickel products which are of the similar quality as those provided by the CMOC Group Companies on the websites of https://www.lme.com/, https://www.fastmarkets.com/, https://www.mysteel.net/, https://www.gfex.com.cn/ and https://www.smm.cn/ on a daily basis before the entering into of each CATL Subsequent Agreement; and (ii) check the final contract prices of the copper, cobalt and nickel products offered to three third parties by the CMOC Group Companies from time to time; and

- As for (i) the products to be provided by CATL Group to the CMOC Group Companies under the CATL Product Sales and Procurement Framework Agreement and (ii) the products to be provided by KFM Group to CMOC Group under the KFM Product Sales and Procurement Framework Agreement, the department will (i) check the quotations of copper, cobalt, and nickel products which are of the similar quality as those provided by KFM Group to CMOC Group on the websites of https://www.lme.com/, https://www.fastmarkets.com/, https://www.mysteel.net/ and https://www.smm.cn/ on a daily basis before the entering into of each CATL Subsequent Agreement and KFM Subsequent Agreement; (ii) check the final contract prices of copper, cobalt and nickel products offered by three third parties to CMOC Group from time to time; (iii) in relation to the EV batteries and ESS batteries, check the prices of products of similar natures that CATL Group supplies to other independent third parties in the market, and (iv) regularly monitor and collect detailed information on the price of the equipment, materials, electricity and relevant services to be provided by CMOC Group to KFM Group and compare with the market price and three quotations offered by the comparable independent third parties.

(2) The Company's auditor and the independent non-executive Directors will conduct annual review on the pricing principles, transaction terms and the proposed annual caps under the Agreements.

(3) Subsequently, the Company will monitor the annual caps and reasonableness and fairness under the Agreements according to KFM Copper and Cobalt Mine's actual production situation, estimated demand for equipment, materials and electricity, relevant prices provided by third-party suppliers, and whether it is cost – and time-effective for the global procurement platform to provide the required manufacturing equipment, materials and electricity to KFM Group, etc.

IV. Implications under the Listing Rules

As at the Latest Practicable Date, CATL is a substantial shareholder of the Company and therefore is a connected person of the Company under Chapter 14A of the Listing Rules. KFM Holding is ultimately owned as to 75% and 25% by the Company and CATL, respectively. KFM Holding is therefore a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being a connected subsidiary of the Company. Thus, the transactions contemplated under the CATL Product Sales and Procurement Framework Agreement and the KFM Product Sales and Procurement Framework Agreement shall constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratios in respect of the proposed annual caps of (i) the transactions under the CATL Product Sales and Procurement Framework Agreement; and (ii) the transactions under the KFM Product Sales and Procurement Framework Agreement exceed 5%, such transactions would constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Lin Jiuxin and Mr. Jiang Li, both have offices in CATL and/or its associates, and in order to avoid the perception of a conflict of interest, each of them had abstained from voting on the Board resolutions to approve the Agreements. Save as disclosed above, none of the other Directors has a material interest in the Agreements or holds any position in CATL and/or its associates which would require them to abstain from voting on the relevant Board resolutions.

V. General Information

CMOC Limited

CMOC Limited is a wholly owned subsidiary of the Company and was established under the laws of Hong Kong with limited liability. It mainly engages in investment holding activities and serves as the Group's trade centre to coordinate and allocate raw materials produced by the Group.

CMOC HK

CMOC HK is a wholly owned subsidiary of the Company and was established under the laws of Hong Kong with limited liability. It mainly engages in commodities trading and investment.

Schmoke

Schmoke is a wholly owned subsidiary of the Company and was established under the laws of the PRC with limited liability. It mainly engages in the import and export of goods and technologies; the sale of mineral products, building materials, chemical products (excluding hazardous chemicals, monitored chemicals, fireworks, civil explosive materials and precursor chemicals), metal materials and products, and machinery and equipment; trade brokerage and agency services; investment management; investment consulting; and business information consulting.

KFM Holding

KFM Holding is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, it is ultimately controlled as to 75% and 25% by the Company and CATL, respectively, and therefore a connected person of the Company. It mainly engages in investment holding activities.

CATL

CATL is a joint stock company established in the PRC with limited liability, the A shares of which are listed and traded on the Shenzhen Stock Exchange (stock code: 300750) and the H shares of which are listed and traded on the Stock Exchange (stock code: 03750). It mainly engages in the research and development, production and sales of power batteries and energy storage batteries. As of the Latest Practicable Date, the Company is directly held as to approximately 24.91% by Luoyang Times Resources Holding Co., Ltd., an indirectly controlled subsidiary of CATL.

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.

3. PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF RAISED FUNDS

We refer to the announcement of the Company dated 31 July 2026 in relation to, among other things, the proposed amendments to the Rules for Management of Raised Funds.

In accordance with applicable laws and regulations and the Articles of Association, and having regard to its actual circumstances, the Company proposes to amend and refine its Rules for Management of Raised Funds.

An ordinary resolution regarding the consideration and approval of the proposed amendments to the Rules for Management of Raised Funds will be proposed at the EGM. Details of the proposed amendments to the Rules for Management of Raised Funds are set out in Appendix II to this circular.

4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

We refer to the announcement of the Company dated 31 July 2026 in relation to, among other things, the proposed amendments to the Articles of Association.

One of the promoters of the Company, Luoyang Mining Group Co., Ltd., was renamed Luoyang Times Resources Holdings Co., Ltd. in April 2026. In light of operational needs, the Company proposes to amend the relevant provisions of the Articles of Association.

A special resolution regarding the consideration and approval of the proposed amendments to the Articles of Association will be proposed at the EGM. It is also proposed that, at the EGM, the management of the Company be authorized to undertake all necessary procedures in connection with the aforesaid matters, including the relevant business registration changes, filing of the amended Articles of Association and other related formalities. Details of the proposed amendments to the Articles of Association are set out in Appendix II to this circular.

5. EGM

An EGM will be held for approving each of the followings, among others: (i) the CATL Product Sales and Procurement Framework Agreement and the proposed transactions contemplated thereunder (including the proposed annual caps thereto); (ii) the KFM Product Sales and Procurement Framework Agreement and the proposed transactions contemplated thereunder (including the proposed annual caps thereto); (iii) proposed amendments to the Rules for Management of Raised Funds and (iv) proposed amendments to the Articles of Association.

Notice convening the EGM to be held at Suzhou Hall, 3rd Floor, River Wing, Pudong Shangri-La, 33 Fucheng Road, Pudong New Area, Shanghai, the PRC at 1:30 p.m. on Thursday, 20 August 2026 is set out on pages EGM-1 to EGM-3 of this circular. Form of proxy for the EGM is enclosed herewith.

6. PROXY ARRANGEMENT

Form of proxy for use at the EGM are enclosed with this circular and such form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cmoc.com).

For H Shareholders, whether or not you are able to attend the EGM, you are requested to complete, sign and return the form of proxy applicable to the EGM in accordance with the instructions printed thereon. The form of proxy applicable to the EGM should be returned to the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 1:30 p.m. on Wednesday, 19 August 2026 (or if the EGM is adjourned, such time shall be not less than 24 hours before the time designated for holding the relevant meeting). Completion and return of the form of proxy applicable to the EGM will not preclude you from attending and voting in person at the EGM or any adjournments thereof should you so wish.

7. CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of H Shareholders who will be entitled to attend and vote at the EGM, the H Shares register of members of the Company will be closed from Monday, 17 August 2026 to Thursday, 20 August 2026 (both days inclusive) during which period no transfer of H Shares will be effected. H Shareholders whose names appear on the H Shares register of members on Monday, 17 August 2026 shall be entitled to attend and vote at the EGM. In order for the H Shareholders to qualify for attending and voting at the EGM, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 14 August 2026.

8. VOTING AT THE EGM

Pursuant to Rule 13.39 of the Listing Rules, any votes of the Shareholders at the EGM must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The poll results announcement will be announced by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

KFM Holding is ultimately owned as to 25% by CATL. As such, CATL and its associates, which held 5,329,780,425 Shares, accounting for approximately 24.91% of the Company's total share capital as at the Latest Practicable Date, will abstain from voting at the EGM on the ordinary resolutions to approve the Agreements and the transactions contemplated thereunder (including the proposed annual caps thereto).

Save as disclosed above and to the best knowledge of the Directors, as at the Latest Practicable Date, no other Shareholder has a material interest in the Agreements and the transactions contemplated thereunder, and therefore no other Shareholder is required to abstain from voting on relevant resolutions at the EGM.

In addition, the Company will offer a platform to A Shareholders including investors of Shanghai-Hong Kong Stock Connect to vote online through the general meeting online voting system of the SSE. Please refer to the relevant announcement published by the Company on the SSE for details.

9. RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

In light of the above, the Directors believe that the proposed resolutions to approve the Agreements and the transactions contemplated thereunder (including the proposed annual caps thereto) at the EGM are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

10. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in other sections and appendices to this circular.

Yours faithfully
By order of the Board
CMOC Group Limited*
Liu Jianfeng
Chairman

* *For identification purposes only*

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)

31 July 2026

To the Shareholders

Dear Sir or Madam,

REVISION OF ANNUAL CAPS AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS UNDER
(1) THE CATL PRODUCT SALES AND PROCUREMENT FRAMEWORK AGREEMENT AND
(2) THE KFM PRODUCT SALES AND PROCUREMENT FRAMEWORK AGREEMENT

We refer to the circular of the Company dated 31 July 2026 (the "**Circular**") of which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings given to them in the section headed "Definitions" of the Circular.

We have been appointed by the Board to form the Independent Board Committee to advise the Independent Shareholders as to whether each of the Agreements and the proposed transactions contemplated thereunder (including the proposed annual caps thereto) are on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Rainbow Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether each of the Agreements and the proposed transactions contemplated thereunder (including the proposed annual caps thereto) are on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Details of the advice from Rainbow Capital, together with the principal factors they have taken into consideration in arriving at such advice, are set out in its letter on pages 35 to 74 of the Circular.

* *For identification purposes only*

The Independent Shareholders are recommended to read the letter of advice from Rainbow Capital, the letter from the Board contained in the Circular as well as the additional information set out in the Appendix I to the Circular.

Having considered the information contained in the letter from the Board, the interests of the Independent Shareholders and the advice and recommendations given by Rainbow Capital, we consider that the terms of each of the Agreements and the proposed transactions contemplated thereunder (including the proposed annual caps thereto) are on normal commercial terms, fair and reasonable, and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in relation to the Agreements and the proposed transactions contemplated thereunder (including the proposed annual caps thereto) to be proposed at the EGM.

Yours faithfully,
For and on behalf of Independent Board Committee
Mr. Wang Kaiguo **Ms. Gu Hongyu** **Mr. Cheng Gordon**
Independent non-executive Directors

The following is the full text of a letter of advice from Rainbow Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation of this circular.

Rainbow Capital (HK) Limited

31 July 2026

To the Independent Board Committee and the Independent Shareholders

CMOC Group Limited
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay, Hong Kong

Dear Sir or Madam,

REVISION OF ANNUAL CAPS AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS UNDER THE CATL PRODUCT SALES AND PROCUREMENT FRAMEWORK AGREEMENT AND THE KFM PRODUCT SALES AND PROCUREMENT FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions (the "**Transactions**") contemplated under (i) the CATL Product Sales and Procurement Framework Agreement (including the revised and proposed annual caps); and (ii) the KFM Product Sales and Procurement Framework Agreement (including the revised and proposed annual caps) (collectively, the "**Agreements**"), details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company dated 31 July 2026 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 28 October 2024, the Board approved CMOC Limited, a wholly-owned subsidiary of the Company, to enter into the Existing CATL Product Sales and Procurement Framework Agreement with CATL, pursuant to which, (i) CMOC Limited Group agreed to sell and CATL Group agreed to purchase metal products, including but not limited to copper, cobalt, nickel and lithium products; and (ii) CMOC Limited Group agreed to purchase and CATL Group agreed to sell metal products, including but not limited to nickel and copper products. On 28 October 2024, the Board approved the Company to enter into the Existing KFM Product Sales and Procurement Framework Agreement with KFM Holding and KFM Mining, pursuant to which, (i) CMOC Group agreed to purchase and KFM Group agreed to sell copper and cobalt products; and (ii) CMOC Group agreed to sell and KFM Group agreed to purchase the equipment, materials, relevant services and etc. As it is contemplated that: (i) benefiting from technical upgrades and capacity expansion, KFM's output of copper, its principal metal product, is expected to increase substantially. Together with the recent uptrend in international copper prices, the transaction value is projected to grow significantly; (ii) in view of the quota regime implemented in Congo (DRC) for cobalt exports, both the export volume and market price of cobalt are expected to experience considerable fluctuations during the period from 2026 to 2028; (iii) the Existing Agreements will expire on 31 December 2027, but the transactions contemplated thereunder are expected to continue beyond such expiry; and (iv) the existing annual caps under each of the Existing Agreements will not be sufficient to fulfill the expected increase of transaction amounts thereunder, the Board approved on 31 July 2026, that (i) the CMOC Group Companies to enter into the CATL Product Sales and Procurement Framework Agreement with CATL; and (ii) the Company to enter into the KFM Product Sales and Procurement Framework Agreement with KFM Holding. Upon the Agreements becoming effective, the Existing Agreements will be terminated and superseded by the Agreements.

As at the Latest Practicable Date, CATL is a substantial shareholder of the Company and therefore is a connected person of the Company under Chapter 14A of the Listing Rules. KFM Holding is ultimately owned as to 75% and 25% by the Company and CATL, respectively. KFM Holding is therefore a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being a connected subsidiary of the Company. Thus, the Transactions shall constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps of the Transactions exceed 5%, the Transactions would constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. Wang Kaiguo, Ms. Gu Hongyu and Mr. Cheng Gordon, has been formed to advise the Independent Shareholders on (i) whether the entering into of the Agreements are conducted in the ordinary and usual course of the Group; and (ii) whether the terms of the Agreements (including the revised and proposed annual caps) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and as to voting. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group, CATL Group and KFM Group that could reasonably be regarded as relevant to our independence. We have acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to continuing connected transactions under the Existing Agreements, details of which are set out in the circular of the Company dated 20 November 2024 and currently act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreements in this letter. Other than that, there was no engagement or connection between the Group, CATL Group, or KFM Group and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the Agreements. The relevant fees paid or payable to us for acting as the Independent Financial Adviser in relation to this appointment are normal professional fees and shall not affect our independence in this appointment. Accordingly, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the Agreements (including the revised and proposed annual caps).

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation on the terms of the Agreements (including the revised and proposed annual caps), we have taken into account the principal factors and reasons set out below:

1. Information on the Group

The Group engages in the non-ferrous metal industry, mainly engaged in mining, beneficiation, smelting and refining of non-ferrous metals, and metal trading business. With its main business located over Asia, Africa, South America and Europe, the Company is a leading producer of copper, cobalt, gold, molybdenum, tungsten and niobium in the world. In terms of trading business, the Company is one of the leading base metal traders in the world.

As disclosed in the annual report of the Company for the year ended 31 December 2025 (the "**2025 Annual Report**"), the Group's operating revenue maintained at a relatively high level of approximately RMB213.0 billion and RMB206.7 billion for the years ended 31 December 2024 and 2025 ("**FY2024**" and "**FY2025**"), respectively, with principal products including copper, cobalt, gold, molybdenum, tungsten, niobium and phosphate and other related products. In respect of its resources and reserves of copper and cobalt products, the Company operates two world-class mines, including (i) the Tenke Fungurume copper and cobalt mine ("**TFM**") located in Congo (DRC), the world's top 5 copper mine; and (ii) Kisanfu copper and cobalt mine ("**KFM**") located in Congo (DRC), the world's largest cobalt mine. In TFM and KFM, the copper-cobalt projects have increased their existing production capacity through throughput enhancement initiatives and recovery rates improvement campaigns, reaching copper and cobalt production volume of approximately 741,100 tonnes and 117,500 tonnes, respectively, for FY2025. Meanwhile, KFM's Phase II expansion project is progressing smoothly, with the project scheduled to put into operation in 2027. Once in operation, it is expected to add approximately 7.26 million tonnes per annum of ore processing capacity, contributing approximately 100,000 tonnes per year at full capacity of copper, further expanding the Company's copper production capacity. Against the backdrop of carbon neutrality and carbon peaking as well as the overall considerable growth rate of power battery resulting from the high-speed growth of electric vehicles, demand for copper and cobalt products is expected to grow rapidly. In respect of its resources and reserves of nickel products, the Company holds 30% equity interest of Huayue Nickel and Cobalt project ("**Huayue**") in Indonesia and underwrites a proportionate share of the nickel and cobalt hydroxide products, making presence in nickel metal. Despite the rapid development of lithium iron phosphate battery, the advantage of high nickel ternary battery in terms of energy density makes it more competitive, which is expected to support the demand for nickel products.

On the other hand, the Company has operated the metal trading business through its wholly-owned subsidiary, IXM Holding S.A. ("**IXM**"), which is a leading non-ferrous metal trader in the world. Trading in more than 80 countries around the world with main product lines of copper, zinc, lead, precious metal ore concentrate, refined copper, zinc, nickel, IXM has built a global logistics and warehousing network. Over these years, IXM has deeply developed in the minerals trading industry, accumulated a wealth of experience in the minerals trading industry, and built a diversified supplier and customer portfolio which includes integrated mineral companies, smelters and refined metal retailers, etc., on the basis of the substantial network of contacts all along the supply and sale chains. As disclosed in the 2025 Annual Report, revenue from mineral trading business amounted to approximately RMB180.1 billion for FY2025.

2. Information on the other parties to the Agreements

CATL is a joint stock limited company incorporated in the PRC, the A shares of which are listed and traded on the Shenzhen Stock Exchange (stock code: 300750) and the H shares of which are listed and traded on the Stock Exchange (stock code: 3750). It mainly engages in the research and development, production and sales of power batteries and energy storage batteries. As at the Latest Practicable Date, the Company is directly held as to approximately 24.91% by Luoyang Times Resources Holding Co., Ltd., an indirectly controlled subsidiary of CATL.

KFM Holding is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, it is ultimately controlled as to 75% and 25% by the Company and CATL, respectively, and therefore a connected person of the Company. It mainly engages in investment holding activities.

3. Reasons for and benefits of entering into the Agreements

As one of the world's leading producer and trader of non-ferrous metal, the Company principally engages in mining, beneficiation, smelting and other processing operations of non-ferrous metals, as well as metal trading businesses. With its main business located over Asia, Africa, South America and Europe, the Company is a leading producer of copper, cobalt, gold, molybdenum, tungsten and niobium in the world. In terms of trading business, the Company is one of the leading base metal traders in the world.

As advised by the management of the Group, the Company has developed a business model of "mining + trading" which covered procurement, production and sales of metal products. In particular, the Group has established business models of "mine – IXM – terminal processing plant and smelter" and "manufacturer – IXM – consumer", under which the Group (through IXM) would purchase metal products from mines or manufacturers and then sell them to downstream producers or consumers. It can be seen that it is in the ordinary and usual course of business of the Group for being both a selling party and a purchasing party for metal products. As such, we consider the Company for being a selling party and a purchasing party for copper, cobalt and nickel products at the same time under the Agreements to be fair and reasonable.

Among the mines owned by the Group, KFM is one of the world's largest copper and cobalt mines which is indirectly held by the Group as to 71.25% equity interests. In April 2021, the Group has entered into a strategic partnership with CATL to jointly develop KFM. Through this partnership, the two parties have agreed to build a long-term stable, reliable, clean and responsible supply of battery metals and electric vehicle raw materials from the Group to CATL. CATL is a global leader of new energy innovative technologies and a leading player in the battery industry of China. Copper, cobalt, nickel and lithium products are critical battery materials and thus are required in the ordinary and usual course of business of CATL. On the other hand, in order to strengthen the strategic cooperation relationship with CATL and expand supplier base, the Company has agreed to purchase metal products and EV batteries and ESS batteries from CATL Group.

The entering into of the CATL Product Sales and Procurement Framework Agreement is consistent with the business and commercial objective of the Group as it can strengthen the strategic cooperation relationship between the Group and CATL Group which is conducive for the Group's formulation of its new energy industrial layout, further enhance the business opportunities of the Group and broaden the revenue base of the Group. As advised by the management of the Group, although the Company will purchase/sell metal products and services from/to CATL Group under the CATL Product Sales and Procurement Framework Agreement, the metal products to be purchased/sold by the Group from/to CATL Group will be of different production process, standard, quality and uses. The nickel products to be purchased by the Group from CATL Group are nickel intermediate products (ferronickel), which are different from the refined nickel products, the main nickel products to be sold by the Group to CATL Group, in the following aspects: (i) in terms of production processes, ferronickel is obtained by smelting nickel ore while refined nickel is separated from nickel ore generally through electrolytic refining; (ii) in terms of standards and qualities, ferronickel is stable both physically and chemically and refined nickel has a relatively high purity due to the difference of chemical compositions in such two products; and (iii) in terms of applications, ferronickel is mainly used in the production of stainless steel, alloy steel, alloy castings and other high-strength materials, while refined nickel is widely used in the high-tech industry. In respect of copper products, although there are no major differences in the standard and quality between the copper products to be purchased by the Group from CATL Group and the copper products to be sold by the Group to CATL Group, we understood from the management of the Group that CATL Group has decided to purchase metal products from the Group in order to secure stable supply of metal products for its own production. On the other hand, certain subsidiaries and associates of CATL Group may produce copper products which may not fulfil its own production. In this regard, the Group, through IXM, will behave as a trader to sell such copper products in the market.

In respect of the supply of metal products by CATL Group to the Group under the CATL Product Sales and Procurement Framework Agreement, CATL Group, being a leading power batteries and energy storage batteries manufacturer, has invested several metal mines for its principal business over the years. As disclosed in the annual report of CATL Group for FY2025, in order to guarantee the supply of key upstream resources and materials for battery production, CATL Group has participated in the investment, construction and operation of lithium, nickel, cobalt, phosphorus and other battery mineral resources and related products. As confirmed by CATL Group, it may have unneeded metal products from time to time and plan to sell them to third parties. For FY2025, CATL Group has generated revenue of approximately RMB6.0 billion from battery mineral resources. Taking into account that (i) the Group, being one of the leading non-ferrous metal traders in the world, generally purchases metal products from mines or manufacturers in its ordinary and usual course of business; (ii) the price for each lot of the products supplied by CATL Group to the Company will be determined on the basis of market-based pricing principle; and (iii) such supply cooperation could strengthen the strategic cooperation relationship between CATL Group and the Company and expand the Company's supplier base, we consider the supply of metal products by CATL Group to the Company is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As discussed above, it is in the ordinary and usual course of business of the Group to purchase metal products from mines or manufacturers and then sell them to downstream producers or consumers. As disclosed in the 2025 Annual Report, revenue from mineral trading business amounted to approximately RMB180.1 billion for FY2025. As such, the arrangement of purchasing the copper and cobalt products by the Company from KFM Group under the KFM Product Sales and Procurement Framework Agreement and then selling these products to CATL Group under the CATL Product Sales and Procurement Framework Agreement is consistent with the existing business model of the Group and we consider such arrangement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, as KFM has been put into operation in April 2023, it is in the ordinary and usual course of business of the Group to procure copper and cobalt products produced by KFM. On the other hand, as restricted by the limited level of local industrial development, KFM Group has to import part of its required manufacturing equipment and materials from overseas. Against this backdrop and in order to reduce production costs, the Group has agreed to provide such manufacturing equipment, materials, electricity and relevant services to KFM Group by utilising the Group's own global procurement platform where local procurement cannot satisfy KFM Group's demand and requirements. The entering into of the KFM Product Sales and Procurement Framework Agreement is consistent with the business and commercial objective of the Group as it can ensure the stableness of the Group's daily business and satisfy future demand of the Group from time to time, which is in the overall interests of the Group.

In view of the above, we concur with the Directors that the entering into of the Agreements and the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Agreements

For details of the terms of the Agreements, please refer to the Letter from the Board. Set out below are the principal terms of the Agreements:

(i) The CATL Product Sales and Procurement Framework Agreement

Parties	:	(a) CMOC Limited, CMOC HK and Schmoke; and (b) CATL
Term	:	From the date the CATL Product Sales and Procurement Framework Agreement is entered into to 31 December 2028, conditioned upon the parties obtaining their own necessary authorisation or approval, respectively, in accordance with the relevant provisions in their own articles of association or constitutional or similar documents and applicable listing rules.
Subject matter	:	(a) the CMOC Group Companies agrees to sell and CATL Group agrees to purchase metal products, including but not limited to, copper, cobalt and nickel products; and (b) the CMOC Group Companies agrees to purchase and CATL Group agrees to sell products, including but not limited to, copper and nickel products and EV batteries and ESS batteries.
Subsequent agreements	:	the CMOC Group Companies and CATL Group will enter into individual subsequent agreements with respect to each transaction contemplated under the CATL Product Sales and Procurement Framework Agreement according to the principles prescribed thereunder (the "**CATL Subsequent Agreement(s)**").

Pricing policies : (a) *As for the products to be provided by the CMOC Group Companies to CATL Group*

It is agreed that the price for each lot of the products purchased by CATL Group under each CATL Subsequent Agreement should be determined on the basis of market-based pricing principle, subject to certain adjustments mainly involving the cost of funds, the basic pricing coefficient, the moisture content, the percentage of metal content and the impurity element content in the metals. The agreed price shall be determined after arm's length negotiation between both parties to ensure that the price is fair and reasonable and on normal commercial terms.

Pursuant to the CATL Subsequent Agreement, if CATL Group shall make prepayment for certain proposed transactions, the CMOC Group Companies shall each pay interests on such prepayments. The interest rate will be determined by both parties to the contract through amicable consultations with reference to the U.S. bond yield and fixed rate of interest rate swaps at a margin of no more than 2% over the U.S. bond yield of same maturity, and taking into account factors including the parties' respective financing costs and the Federal Reserve's view on the trend of interest rates.

(b) *As for the products to be purchased by the CMOC Group Companies from CATL Group*

It is agreed that the price for each lot of the products purchased by the CMOC Group Companies under each CATL Subsequent Agreement should be determined on the basis of market-based pricing principle, subject to certain adjustments mainly involving the cost of funds, the basic pricing coefficient, the moisture content, the percentage of metal content and the impurity element content in the metals. The agreed price shall be determined after arm's length negotiation between both parties to ensure that the price is fair and reasonable and on normal commercial terms.

The market price of copper, cobalt and nickel products will be referred to (a) the copper price quoted by LME (https://www.lme.com/); or (b) the cobalt price quoted by Fastmarkets (https://www.fastmarkets.com/), a cross-commodity price reporting agency in metal, mining and other markets, multiplied by the relevant price coefficient; or (c) the nickel products price quoted by LME, Mysteel (https://www.mysteel.net/), Shanghai Metals Market (https://www.smm.cn/) and/or Shanghai Futures Exchange (https://www.shfe.com.cn/) adjusted by relevant price coefficient. The price will be determined with reference to the sales price charged by other well-known mining companies in the place of sale or receiving market, as well as recognised commodity trading indexes comparable to LME or Fastmarkets (such as SMM Information & Technology Co., Ltd., Shanghai Futures Exchange or the Chicago Mercantile Exchange).

The market price of EV batteries and ESS batteries is determined through commercial negotiation between the parties on an arm's length basis, primarily based on prices of products of similar natures that CATL Group supplies to other independent third parties in the market, and taking into account various factors including but not limited to product types, transaction volumes and production costs.

As part of our due diligence on the CATL Product Sales and Procurement Framework Agreement, we have randomly obtained and reviewed 22 samples of metal products sale contracts and invoices between the Group and (a) CATL Group; or (b) independent third parties entered into in 2025 and 2026. Given that (a) the above sample contracts and invoices we have reviewed covered all of the metal products under the CATL Product Sales and Procurement Framework Agreement; (b) the sample contracts and invoices were entered into under the period of the Existing CATL Product Sales and Procurement Framework Agreement; and (c) a total of 22 samples were selected, obtained and reviewed, we are of the view that the aforesaid samples are adequate and representative. Based on our review, we noted that (a) the prices for the sale of metal products by the Group were conducted in accordance with the relevant market-based pricing principle subject to certain adjustments on the quality and standard of metal products. The market prices were generally determined with reference to certain recognised futures and forwards exchanges and cross-commodity price reporting agency such as London Metal Exchange, Shanghai Metals Market and Fastmarkets; and (b) the terms of the sales contracts with CATL Group were no more favourable than those with independent third parties.

In addition, we have randomly obtained and reviewed 18 samples of nickel and copper products procurement contracts and invoices between the Group (a) CATL Group; or (b) independent third parties entered into in 2025 and 2026. Given that (a) the above sample contracts and invoices we have reviewed covered the metal products under the CATL Product Sales and Procurement Framework Agreement; (b) the sample contracts and invoices were entered into under the period of the Existing CATL Product Sales and Procurement Framework Agreement; and (c) a total of 18 samples were selected, obtained and reviewed, we are of the view that the aforesaid samples are adequate and representative. Based on our review, we noted that (a) the prices for the procurement of nickel and copper products by the Group were conducted in accordance with the relevant market-based pricing principle with reference to London Metal Exchange and Shanghai Metals Market; and (b) the terms of the procurement contracts with CATL Group were no more favourable than those with independent third parties.

Based on our review of the sample contracts and invoices as mentioned above, we noted that the sample contracts have included pricing coefficient to reflect the percentage of metal content and the impurity element content in the metal products and such pricing coefficients were adopted in determining the final price. Accordingly, we consider the adjustment of pricing coefficient to the metal products' prices is fair and reasonable and in line with normal market practice.

In respect of EV batteries and ESS batteries, the Group may purchase EV batteries and ESS batteries produced by CATL Group in future and the Group has not purchased any such product from CATL Group or independent third parties before. As stipulated under the CATL Product Sales and Procurement Framework Agreement, the market price of EV batteries and ESS batteries will be primarily based on prices of products of similar natures that CATL Group supplies to other independent third parties in the market, and taking into account various factors including but not limited to product types, transaction volumes and production costs.

In respect of the prepayment arrangement, the interest rate will be determined with reference to the U.S. bond yield and fixed rate of interest rate swaps at a margin of no more than 2% over the U.S. bond yield of same maturity and taking into account factors including the parties' respective financing costs and the Federal Reserve's view on the trend of interest rates. As advised by the management of the Group, it considered that as the U.S. Federal Reserve has reduced its policy rates in recent years, it is more prudent to use the U.S. bond yield and fixed rate of interest rate swaps as the reference. Taking into account that the U.S. bond yield and fixed rate of interest rate swaps closely follow the market sentiment and expectations, we consider that the terms of the CATL Product Sales and Procurement Framework Agreement are on normal commercial terms which are fair and reasonable.

As stated above, it is stipulated under the pricing policy of the CATL Product Sales and Procurement Framework Agreement that the price for each lot of the products purchased by CATL Group and products purchased by the CMOC Group Companies under each CATL Subsequent Agreement should be determined on the basis of market-based pricing principle, subject to certain adjustments mainly involving the cost of funds, the basic pricing coefficient, the moisture content, the percentage of metal content and the impurity element content in the metals. The agreed price shall be determined after arm's length negotiation between both parties to ensure that the price is fair and reasonable and on normal commercial terms. Please refer to the section headed "6. Internal control measures of the Group" below for our analyses of further safeguards imposed by the Group.

(ii) the KFM Product Sales and Procurement Framework Agreement

Parties	:	(a) the Company; and (b) KFM Holding
Term	:	From the date the KFM Product Sales and Procurement Framework Agreement is entered into to 31 December 2028, conditioned upon the parties obtaining their own necessary authorisation or approval, respectively, in accordance with the relevant provisions in their own articles of association or constitutional or similar documents and applicable listing rules.
Subject matter	:	(a) CMOC Group agrees to purchase and KFM Group agrees to sell, including but not limited to, copper and cobalt products; and (b) CMOC Group agrees to sell and KFM Group agrees to purchase the equipment, materials, electricity and relevant services, etc.
Subsequent agreements	:	Members of CMOC Group and KFM Group will enter into the subsequent agreement with respect of each transaction contemplated under the KFM Product Sales and Procurement Framework Agreement according to the principles prescribed thereunder (the "**KFM Subsequent Agreement(s)**").

Pricing policies : (a) *As for the products to be purchased by CMOC Group from KFM Group*

It is agreed that the price for each lot of the products purchased by CMOC Group under each KFM Subsequent Agreement should be determined on the basis of market-based pricing principle, subject to certain adjustments mainly involving the cost of funds, the basic pricing coefficient, the moisture content, the percentage of metal content and the impurity element content in the metals. The agreed price shall be determined after arm's length negotiation between parties to the agreement to ensure that the price is fair and reasonable and on normal commercial terms.

The market price of copper and cobalt products will be referred to (1) the copper price quoted by LME (https://www.lme.com/); or (2) the cobalt price quoted by Fastmarkets (https://www.fastmarkets.com/) multiplied by the relevant price coefficient. The price will be determined with reference to the sales price charged by other well-known mining companies in the place of sale or receiving market, as well as recognised commodity trading indexes comparable to LME or Fastmarkets (such as SMM Information & Technology Co., Ltd., Shanghai Futures Exchange or the Chicago Mercantile Exchange).

Pursuant to the KFM Subsequent Agreement, if CMOC Group shall make prepayment for certain proposed transactions, KFM Group shall pay interests on such prepayments. The interest rate will be determined by the parties to the agreement upon amicable negotiations with reference to the US$ Secured Overnight Financing Rate (SOFR) and the interest rates of the medium – and long-term loans granted by third party financial institutions to CMOC Group plus a margin of 2% to 6%, taking into account the factors including the regulatory requirement and US$ financing costs in the DRC, the return on deposit funds, and the Federal Reserve's view on the trend of interest rates.

(b) As for the equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group to KFM Group

Equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group, leveraging the strength of its own global platform of centralised procurement, to KFM Group include the following: (1) pumps, valves, transformers, construction vehicles, and other equipment; (2) sulfur, magnesium oxide, steel balls, sodium hydroxide, and other materials; (3) electricity; and (4) management, information technology and other relevant services. The price for each lot of equipment, materials, electricity and relevant services, etc. sold by CMOC Group under each KFM Subsequent Agreement will be adjusted based on factors including the market price, the actual quality and the delivery method, and by adding or subtracting costs incurred in related logistical processes.

The market price of the equipment and relevant services will be referred to the price of the same or similar products or services provided by an independent third party during the ordinary course of business on normal commercial terms; and the market price of the materials will be referred to the price quoted (1) by ARGUS Sulphur for sulfur; (2) on chinaccm.com and mysteel.com for steel balls; or (3) on baiinfo.com for sodium hydroxide as adjusted with reference to the PPI of the chemicals in US and Ireland. The market price of electricity will be determined according to the prevailing local electricity price. If there is no comparable market price, the price shall be determined in accordance with the principle of reasonable cost plus reasonable profit, and the agreed price shall be determined after arm's length negotiation between the parties to the agreement to ensure that the price in relation to the above transactions is fair and reasonable and on normal commercial terms. The reasonable profit margin shall be determined with reference to the historical average price for similar products and services, or the prevailing commodity relevant to the products, electricity and services (where applicable), nature of products and services, the overall demand and supply in the industry and urgency of orders, the prevailing exchange rate, the profit margin released by independent third parties in the industry and nearby regions (to the extent available) and/or the profit margin of comparable products and services disclosed by other listed companies on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or domestic bond markets, from which the Company is able to draw references (where applicable).

Due to the wide range of the categories of the equipment, materials and relevant services to be provided by CMOC Group to KFM Group, it would be difficult for the Company to estimate at the moment a reasonable range of the profit margin. However, the Company will provide the equipment, materials, electricity and relevant services after considering the overall demand and supply in the industry and the actual circumstance of the Company based on the reasonable estimation of the management. The relevant profit margin will also be subject to the review of internal control measures of the Company including the discussion with relevant department head and the management before decision.

As part of our due diligence on the KFM Product Sales and Procurement Framework Agreement, we have randomly obtained and reviewed 12 samples of copper and cobalt products procurement contracts and invoices between the Group and KFM Group entered into in 2025 and 2026. As advised by the management of the Group, as the copper-cobalt projects in TFM and KFM have increased their existing production capacity through throughput enhancement initiatives and recovery rates improvement campaigns in recent years, which have fulfilled the Group's demand on copper and cobalt products, the Group has not purchased any copper and cobalt products from independent third parties in 2025 and 2026. In this regard and for comparison purpose, we have randomly obtained and reviewed 10 samples of copper and cobalt products procurement contracts and invoices between the Group and independent third parties in 2023 and 2024. Given that (a) the above sample contracts and invoices we have reviewed covered all of the metal products under the KFM Product Sales and Procurement Framework Agreement; (b) the sample contracts and invoices were entered into under or close to the period of the Existing KFM Product Sales and Procurement Framework Agreement; and (c) a total of 22 samples were selected, obtained and reviewed, we are of the view that the aforesaid samples are adequate and representative. Based on our review, we noted that (a) the prices for the procurement of metal products by the Group were conducted in accordance with the relevant market-based pricing principle subject to certain adjustments on the quality and standard of metal products. The market prices were generally with reference to certain recognised futures and forwards exchanges and cross-commodity price reporting agency such as London Metal Exchange and Fastmarkets; and (b) the terms of the procurement contracts with KFM Group were no less favourable than those with independent third parties.

Based on our review of the sample contracts and invoices as mentioned above, we noted that the sample contracts have included pricing coefficient to reflect the percentage of metal content and the impurity element content in the metal products and such pricing coefficients were adopted in determining the final price. Accordingly, we consider the adjustment of pricing coefficient to the metal products' prices is fair and reasonable and in line with normal market practice.

In respect of the prepayment arrangement, the interest rate will be determined with reference to US$ Secured Overnight Financing Rate (SOFR) and the interest rates of the medium – and long-term loans granted by third party financial institutions to CMOC Group plus a margin of 2% to 6%, taking into account the factors including the regulatory requirement and US$ financing costs in the DRC, the return on deposit funds, and the Federal Reserve's view on the trend of interest rates. Based on our independent research on Damodaran Online, which we understand is an equity risk premium research online database published by Aswath Damodaran, a finance professor at New York University whose work in equity risk premium is internationally adopted in the valuation industry, the country risk premium of Congo (DRC) amounted to approximately 9.41% in 2026. Such high country risk premium indicates that Congo (DRC) has a relatively high country risk and thus a higher interest rate should be charged by the Group to protect the interests of the Group and its Shareholders. Taking into account the relatively high country risk of Congo (DRC) where KFM is located and that a higher interest rate to be received by the Group on its prepayments is in the interest of the Company, we consider that the terms of the KFM Product Sales and Procurement Framework Agreement are on normal commercial terms which are fair and reasonable.

As stated above, it is stipulated under the pricing policy of the KFM Product Sales and Procurement Framework Agreement that (a) the price for each lot of the products purchased by CMOC Group under each KFM Subsequent Agreement should be determined on the basis of market-based pricing principle, subject to certain adjustments mainly involving the cost of funds, the basic pricing coefficient, the moisture content, the percentage of metal content and the impurity element content in the metals; and (b) the price for each lot of equipment, materials, electricity and relevant services, etc. sold by CMOC Group under each KFM Subsequent Agreement will be adjusted based on factors including the market price, the actual quality and the delivery method, and by adding or subtracting costs incurred in related logistical processes. Please refer to the section headed "6. Internal control measures of the Group" below for our analyses of further safeguards imposed by the Group.

5. Assessment of the revised and proposed annual caps

(i) The CATL Product Sales and Procurement Framework Agreement

Set out below are the historical annual caps and actual transaction amounts under the Existing CATL Product Sales and Procurement Framework Agreement for the periods indicated:

	For the year ended 31 December 2025 (US$' million)	For the five months ended 31 May 2026 (US$' million)
Products sold by CMOC Limited Group to CATL Group		
– Annual caps	2,150	2,200 (for the year ending 31 December 2026)
– Actual transaction amount	359.2	489.8
– Utilisation rate	16.7%	22.3%
Products purchased by CMOC Limited Group from CATL Group		
– Annual caps	850	900 (for the year ending 31 December 2026)
– Actual transaction amount	115.4	406.4
– Utilisation rate	13.6%	45.2%
Interests paid by CMOC Limited Group to CATL Group in relation to the prepayment		
– Annual caps	93	80 (for the year ending 31 December 2026)
– Actual transaction amount	82.5	20.6
– Utilisation rate	88.7%	25.8%

As shown in the table above, the actual transaction amounts regarding CMOC Limited Group's sale of products to CATL Group under the Existing CATL Product Sales and Procurement Framework Agreement were approximately US$359.2 million and US$489.8 million for FY2025 and the five months ended 31 May 2026 ("**5M2026**"), respectively, representing approximately 16.7% and 22.3% of the total annual cap in 2025 and 2026, respectively. Such low utilisation rate in 2025 was primarily attributable to (a) the relatively low quantity of cobalt products sold by CMOC Limited Group to CATL Group than estimated as a result of the Cobalt Export Ban (as defined below). In February 2025, the Congo (DRC) (where the Group's two major mines TFM and KFM are located) government issued a temporary policy to suspend the export of cobalt products (the "**Cobalt Export Ban**") for four months and such ban was extended for another three months in June 2025. In October 2025, the Congo (DRC) government lifted the Cobalt Export Ban and implemented a cobalt quota export policy, which stipulates that only 18,125 tonnes of cobalt could be exported for the rest of 2025; and (b) a relatively low quantity of copper products sold by CMOC

Limited Group to CATL Group than estimated as a result of the business decision of both parties after considering the market condition and degree of alignment of copper products sold by CMOC Limited Group with production demands from CATL Group. As advised by the management of the Group, as a result of the Cobalt Export Ban, the customs clearance for cobalt products exports from Congo (DRC) was low in early 2026, resulting in only limited exports of cobalt products taking place in 5M2026. Such condition is expected to be improved in the second half of 2026.

The actual transaction amounts regarding CMOC Limited Group's purchase of products from CATL Group under the Existing CATL Product Sales and Procurement Framework Agreement were approximately US$115.4 million and US$406.4 million for FY2025 and 5M2026, respectively, representing approximately 13.6% and 45.2% of the total annual cap in 2025 and 2026, respectively. Such low utilisation rate in 2025 was primarily attributable to the business decision of IXM made during its ordinary course of trading business. When conducting non-ferrous metal trading business and making procurement-related decisions, IXM would comprehensively evaluate a wide range of market and operational factors, including real-time global metal prices and forecasts of medium – to long-term price trends, the Group's overall inventory and resource allocation planning, the stability of upstream supply, and the alignment with downstream end-customer demand. At the same time, IXM would take into account the requirements from specific downstream customers on transaction terms, such as metal types, procurement volume, delivery timelines and locations, and pricing mechanisms. As the metal products supplied by CATL Group did not fully coincide with the demand of IXM's potential downstream customers during the above-mentioned period, IXM purchased a relatively low quantity of products from CATL Group during such period.

The actual transaction amounts of interests paid by CMOC Limited Group to CATL Group in relation to the prepayment under the Existing CATL Product Sales and Procurement Framework Agreement were approximately US$82.5 million and US$20.6 million for FY2025 and 5M2026, respectively, representing approximately 88.7% and 25.8% of the total annual cap in 2025 and 2026, respectively, which were fairly utilised.

Pursuant to the CATL Product Sales and Procurement Framework Agreement, the revised and proposed annual caps for the transactions under the CATL Product Sales and Procurement Framework Agreement are set out below:

	For the year ending 31 December		
	2026	**2027**	**2028**
	(US$' million)	*(US$' million)*	*(US$' million)*
Products to be sold by the CMOC Group Companies to CATL Group	3,850	4,300	5,000
Products to be purchased by the CMOC Group Companies from CATL Group	1,350	1,850	1,900
Interests to be paid by the CMOC Group Companies to CATL Group in relation to the prepayment	90	85	80

Set out below is the breakdown of the products to be sold by the CMOC Group Companies to CATL Group and the products to be purchased by the CMOC Group Companies from CATL Group under the CATL Product Sales and Procurement Framework Agreement:

	For the year ending 31 December		
	2026	**2027**	**2028**
Products to be sold by CMOC Group Companies to CATL Group			
– Copper products (US$ million)	**792.4**	**1,213.1**	**1,173.6**
Unit market price (US$ per tonne)	14,275	14,275	14,275
Quantity (tonnes)	55,513	84,983	82,219
– Cobalt products (US$ million)	**2,574.1**	**2,591.0**	**3,266.9**
Unit market price (US$ per tonne)	56,326	56,326	56,326
Quantity (tonnes)	45,700	46,000	58,000
– Nickel products (US$ million)	**88.8**	**88.8**	**88.8**
Unit market price (US$ per tonne)	17,753	17,753	17,753
Quantity (tonnes)	5,000	5,000	5,000
Products to be purchased by CMOC Group Companies from CATL Group			
– Copper products (US$ million)	**856.5**	**1,284.7**	**1,427.5**
Unit market price (US$ per tonne)	14,275	14,275	14,275
Quantity (tonnes)	60,000	90,000	100,000
– Nickel products (US$ million)	**213.0**	**213.0**	**213.0**
Unit market price (US$ per tonne)	17,753	17,753	17,753
Quantity (tonnes)	12,000	12,000	12,000
– EV batteries and ESS batteries (US$ million)	**146.4**	**152.3**	**43.9**

Products to be sold by CMOC Group Companies to CATL Group

In assessing the reasonableness of the proposed annual caps of the products to be sold by CMOC Group Companies to CATL Group under the CATL Product Sales and Procurement Framework Agreement, we have discussed with the management of the Group on the basis and assumptions underlying the projections. As advised by the management of the Group, in determining the proposed annual caps for the three years ending 31 December 2028, they have taken into account, among others, (a) the estimated production volume of copper, cobalt and nickel products of the Group in the future; (b) the expected demand of CATL Group for such products; and (c) the fluctuation of the price and demand for copper, cobalt and nickel products. The proposed annual caps are then arrived at by the estimated quantity of copper, cobalt and nickel products to be supplied by CMOC Group Companies to CATL Group for the three years ending 31 December 2028 multiplied by the respective unit market price of copper, cobalt and nickel products as well as a buffer of 10% to cater for the fluctuation in the prices for these metal products in the future.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the proposed annual caps and reviewed the relevant calculations which have also been confirmed and agreed by CATL Group. As advised by the management of the Group, the Group is currently operating two world-class mines, being TFM and KFM for the resources and reserves of copper and cobalt products and the Group has decided to sell the copper and cobalt products produced from KFM to CATL Group. As such, the production volume of KFM's copper and cobalt products represents the maximum quantity of copper and cobalt products available to be sold by CMOC Group Companies to CATL Group under the CATL Product Sales and Procurement Framework Agreement and thus is relevant to justify the fairness and reasonableness of the estimated quantities of copper and cobalt products for the three years ending 31 December 2028. As disclosed in the 2025 Annual Report, in TFM and KFM, the copper-cobalt projects have increased their existing production capacity through throughput enhancement initiatives and recovery rates improvement campaigns, reaching copper and cobalt production volume of approximately 741,100 tonnes and 117,500 tonnes, respectively, for FY2025. In particular, KFM has reached copper and cobalt production volume of approximately 226,000 tonnes and 85,000 tonnes, respectively, for FY2025. Meanwhile, KFM's Phase II expansion project is progressing smoothly, with the project scheduled to put into operation in 2027. Once operation, it is expected to add approximately 7.26 million tonnes per annum of ore processing capacity, contributing approximately 100,000 tonnes per year at full capacity of copper products, further expanding the Company's production capacity. As advised by the management of the Group, after considering the increase in production efficiency, the improved recovery rate and economies of scale, it is expected that KFM will reach average annual production volume of approximately 300,000 tonnes of copper products and 130,000 tonnes of cobalt products in the coming three years. In this regard, we have obtained and reviewed the projection of the production plan of KFM and noted that the KFM's production volume of copper and cobalt products for the year ending 31 December 2026 is estimated to be in line with its historical level in 2025 while the production volume of copper and cobalt products for the two years ending 31 December 2028 is estimated based on the historical level in 2025 and the increase in production capacity and efficiency after the completion of KFM's Phase II expansion project. We have also obtained and reviewed the feasibility study report of KFM's Phase II expansion project issued by an independent engineering technology company which includes an exhaustive analysis of the project's geology mineral resources, construction plan, scale and investment, infrastructure and logistics, mine design and planning, risk assessment and financial performance. Based on our review, we noted that the estimated increase in production volume of copper and cobalt products for the two years ending 31 December 2028 in the production plan of KFM is in line with expected production volume as stated in the feasibility study report of KFM's Phase II expansion project.

The quantity of copper products to be supplied by CMOC Group Companies to CATL Group for the three years ending 31 December 2028 is then estimated based on the expected production volume of KFM in its production plan as discussed above and the expected demand of CATL Group. Specifically, the expected demand for the copper products is based on CATL Group's shareholding percentage in KFM Holding. As discussed in the section headed "3. Reasons for and benefits of entering into the Agreements" above, in April 2021, the Group has entered into a strategic partnership with CATL to jointly develop KFM. We have obtained and reviewed this strategic partnership agreement and noted that KFM Holding is owned as to 25% by CATL Group. Based on the negotiation between the Group and CATL Group, both parties agreed that in line with its shareholding in KFM Holding and expected demand, CATL Group is entitled to purchase 25% of KFM's copper products, which we consider to be fair and reasonable.

On the other hand, as disclosed above, in October 2025, the Congo (DRC) government lifted the Cobalt Export Ban and implemented a cobalt quota export policy. As advised by the management of the Group, the existing Cobalt Export Ban has specified the KFM's cobalt export quota in 2026 and 2027 while there is no information on whether the Congo (DRC) government will release or continue to impose such quota restriction in 2028. As such, the quantity of cobalt products to be supplied by CMOC Group Companies to CATL Group for the three years ending 31 December 2028 is estimated based on the KFM's expected production volume in its production plan as discussed above and the expected demand of CATL Group. As the expected demand of CATL Group on cobalt products for the three years ending 31 December 2028 exceeds the cobalt export quota, the additional quantity of cobalt products will be supplied through IXM's trading platform. We have obtained and reviewed the historical quantity of cobalt products supplied by CMOC Group Companies to CATL Group in 2024 and noted that the expected demand of CATL Group for the three years ending 31 December 2028 is in line with its historical purchase quantity before the Cobalt Export Ban. The quantity of cobalt products to be supplied by CMOC Group Companies to CATL Group for the year ending 31 December 2028 is projected to be higher than that for the two years ending 31 December 2027 because there is no information on whether the Congo (DRC) government will release or continue to impose such quota restriction in 2028. As such, the Group has added a buffer in 2028 in case such quota restriction will be removed in 2028. As the expected demand of CATL Group on cobalt products for the three years ending 31 December 2028 has been agreed by CATL Group, we consider such estimation to be fair and reasonable.

In respect of nickel products, with reference to the announcement of the Company dated 8 November 2019, the Company made investments in Huayue to jointly develop it with an average production volume of 60,000 tonnes of nickel products per annum. As advised by the management of the Company, Huayue has been officially put into production in 2022. The quantity of nickel products to be supplied by CMOC Group Companies to CATL Group for the three years ending 31 December 2028 is then estimated based on the average production volume of Huayue and the expected demand of CATL Group. We have obtained and reviewed the historical quantity of nickel products supplied by CMOC Group Companies to CATL Group in 2025 and noted that the expected demand of CATL Group for the three years ending 31 December 2028 is in line with its historical purchase quantity from CMOC Group Companies. Based on the above and in view of that the expected demand of CATL Group on nickel products for the three years ending 31 December 2028 has been agreed by CATL Group, we consider such estimation to be fair and reasonable.

In order to assess the fairness and reasonableness of the expected demand of CATL Group, we have reviewed its annual report for FY2025 and noted that CATL Group has recorded an increase in revenue of approximately 17.0% for FY2025 with the sales of power battery system increased by approximately 25.1% and energy storage battery system increased by approximately 9.0%. CATL Group has ranked the first in terms of global market share in both power batteries and energy storage batteries and is expected to continuously explore overseas markets. It is also disclosed that benefiting from the increase in the number of new energy vehicle sale models, the acceleration of intelligentisation and the continuous improvement of charging infrastructure, the global demand for new energy vehicles and power batteries have increased. Driven by surging global electricity demand and the shift towards decarbonisation, the global energy storage batteries market is also experiencing rapid demand growth. Accordingly, we consider the demand of CATL Group on these new energy metals, copper, cobalt and nickel products, remains strong. Based on the above, we concur with the management of the Group on such basis of the projection.

With regard to the Company's estimation on the unit market prices of copper, cobalt and nickel products for the three years ending 31 December 2028, we are advised by the management of the Group that each unit market price is projected with reference to (a) the international average spot price of copper cathode on the London Metal Exchange for the five months ended 31 May 2026 of approximately US$12,977 per tonne and a growth rate of 10%. As advised by the management of the Group, the adoption of a growth rate of 10% in projecting the unit market prices of copper products is primarily due to the fact that the copper prices hit new multi-year highs in 2026 as a result of supply disruptions, increased industrial demand and structural shortages in global mining markets and such conditions are considered to sustain in the coming years. Based on our independent market research, we noted that Goldman Sachs lifted its end-2026 copper price target by more than 10% in early June 2026, raising its forecast to US$13,735 per tonne from a previous US$12,465 per tonne. The revision is drive by a weaker-than-expected supply outlook: the bank slashed its global mine supply estimate by 350,000 tonnes, citing ongoing operational disruptions at Indonesia's Grasberg complex and Ivanhoe Mines' Kamoa-Kakula operation in Congo (DRC) and neither mine is expected back at full capacity before 2028. While supply tightens, demand is accelerating from multiple long-term growth sectors. Copper is a critical material for electricity grids, electric vehicles, renewable energy systems, and now artificial intelligence infrastructure. In view of the flagged weaker supply growth from mines and resilient demand driven by artificial intelligence infrastructure and the energy transaction, Citi forecasted the copper products to hit US$14,500 per tonne in 2026 and US$15,000 per tonne within the next year. Based on the above, we consider the growth rate of 10% in projecting the unit market prices of copper products is reasonable; (b) the international market price of cobalt metal for the five months ended 31 May 2026 of approximately US$25.68 per lb (equivalent to approximately US$56,614.7 per tonne) as disclosed in the Fastmarkets, which was the average low price of Metal Bulletin standard grade cobalt, multiplied by the pricing coefficient of approximately 99.49% to reflect the difference in the percentage of metal content and the impurity element content in the metals; and (c) the international average spot price of nickel metal on the London Metal Exchange for the five months ended 31 May 2026 of approximately US$17,753 per tonne. We have crossed checked the aforesaid pricing indexes on the relevant futures and forwards exchanges and cross-commodity price reporting agency, and noted that the average market prices of these metal products in the relevant periods were consistent with the estimated unit market prices adopted in determining the proposed annual caps in the coming three years. On this basis, we consider the estimation of the unit market prices of copper, cobalt and nickel products for the three years ending 31 December 2028 to be fair and reasonable.

As advised by the management of the Group, the pricing coefficient of 99.49% adopted for cobalt products is determined with reference to the historical cobalt hydroxide payable factors published by Fastmarkets. We have reviewed the relevant coefficient index and noted that the average low coefficient of historical cobalt hydroxide payable factors amounted to approximately 99.49% for the five months ended 31 May 2026. As such, we consider the pricing coefficient adopted by the Company is fair and reasonable.

With reference to the annual reports of the Group for FY2024 and FY2025, we noted that the international market prices of metal products have fluctuated a lot from 2023 to 2025. For instance, the international market price of cobalt metal has decreased by approximately 25.5% from 2023 to 2024 but increased by approximately 42.8% from 2024 to 2025. Furthermore, the international market price of copper cathode has increased by approximately 7.8% from 2023 to 2024 and further increased by approximately 8.7% from 2024 to 2025. As such, we consider it is fair and reasonable to adopt a buffer of 10% to cater for the possible and unpredictable fluctuations in metal prices.

Having taking into account (a) that the proposed annual caps which have been arrived at after discussion between CMOC Group Companies and CATL Group, have considered the expected demand of CATL Group on copper, cobalt and nickel products as well as the estimated unit market prices of these products; (b) the actual and expanded production volume of KFM in copper and cobalt products and Huayue in nickel products as well as the influence of the Cobalt Export Ban; (c) the basis of the estimated unit market prices of copper, cobalt and nickel products; and (d) a buffer of 10% to cater for the fluctuation in the price for metal products in the future, we consider the proposed annual caps of the products to be sold by CMOC Group Companies to CATL Group for the three years ending 31 December 2028 to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Products to be purchased by CMOC Group Companies from CATL Group

In assessing the reasonableness of the proposed annual caps of the products to be purchased by CMOC Group Companies from CATL Group under the CATL Product Sales and Procurement Framework Agreement, we have discussed with the management of the Group on the basis and assumptions underlying the projections. As advised by the management of the Group, in determining the proposed annual caps for the three years ending 31 December 2028, they have taken into account, among others, (a) the expected demand of CMOC Group Companies in terms of the copper and nickel products provided by CATL Group during its trading process; (b) the fluctuation of the price and demand for copper and nickel products; and (c) the expected demand of CMOC Group Companies on EV batteries and ESS batteries. The proposed annual caps are then arrived at by the estimated quantity of nickel and copper products to be purchased by CMOC Group Companies for the three years ending 31 December 2028 multiplied by the unit market price of copper and nickel products and the estimated purchase amount of EV batteries and ESS batteries as well as a buffer of 10% to cater for the fluctuation in the prices for these metal and other products in the future.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the proposed annual caps and reviewed the relevant calculations which have also been confirmed and agreed by CATL Group. As advised by the management of the Group, the Group has procured and traded copper and nickel products through IXM during its ordinary and usual course of business. As one of the largest base metal traders in the world, IXM purchases metal products from mines or manufacturers and then sells them to downstream producers or consumers. In the event that the downstream producers or consumers place orders to IXM on metal products with specific specifications that are inconsistent with those in IXM's own inventories or produced by the Group's KFM and TFM but are consistent with those produced by CATL Group, IXM may purchase such products from CATL Group under the CATL Product Sales and Procurement Framework Agreement. It is considered that the growth rate of nickel demand for stainless steel is relatively stable at about 4% annually for the last three years, while the nickel demand for power battery is its main source of growth, both of which would support the solid and sustainable market demand on nickel products. For the copper products, we understood that the Company takes into consideration the estimated production volume of copper products of CATL Group in the future as well as the strategic procurement allocation of the Group in terms of the copper products. Accordingly, the quantity of copper and nickel products to be purchased by CMOC Group Companies from CATL Group for the three years ending 31 December 2028 is estimated based on the average production volume of CATL Group and the expected demand of CMOC Group Companies. As disclosed in the 2025 Annual Report, the Group's revenue from mineral trading business amounted to approximately RMB180.1 billion for FY2025. Given that the proposed annual caps of the copper and nickel products to be purchased by CMOC Group Companies from CATL Group of US$1,069.5 million (equivalent to approximately RMB7,272.6 million), US$1,497.7 million (equivalent to approximately RMB10,184.4 million) and US$1,640.5 million (equivalent to approximately RMB11,155.4 million) for the three years ending 31 December 2028, respectively, only represent approximately 4.0%, 5.7% and 6.2%, respectively, of the Group's total revenue from mineral trading business of approximately RMB180.1 billion for FY2025, which are considered to be insignificant, we consider such expected demand of the CMOC Group Companies and the proposed annual caps of the products to be purchased by CMOC Group Companies from CATL Group for the three years ending 31 December 2028 to be fair and reasonable. In addition, we have obtained and reviewed the historical quantity of cobalt and nickel products purchased by the Group from third parties (including CATL Group) through IXM in 2025 and 2026 and noted that in the event that the downstream producers or consumers place orders to IXM on metal products with specific specifications that are inconsistent with those in IXM's own inventories or produced by the Group's KFM and TFM, IXM would purchase such metal products from third parties, including CATL Group. Taking into account that the quantity of copper and nickel products to be purchased by CMOC Group Companies from CATL Group are estimated after considering (a) the Group's historical demand on cobalt and nickel products from third parties as one of the largest base metal traders in the world; and (b) the Group's negotiation with CATL Group who has agreed that its production capacity can fulfil the estimated quantity, we consider such estimation to be fair and reasonable. According to Mysteel, a leading Chinese commodity service provider and price reporting agency founded in 2000, CATL Group is expected to have an average production volume of approximately 36,000 tonnes of nickel products per annum, which covered the demanded quantity in the Group's projection. In addition, based on our review on announcements published by CATL Group, we noted that in April 2026, CATL Group announced that it planned to establish a wholly-owned subsidiary with a proposed registered capital of RMB30 billion. This subsidiary will serve as a professional investment operation and management platform in the new energy mineral field through integrating existing mining-related assets around its battery industry layout and needs, actively expanding high-quality domestic and overseas mineral resource projects and ensuring the supply chain's security and stability. Based on the above and in view of that the basis of the proposed annual caps has been reviewed and confirmed by CATL Group, we consider that the estimated quantity of copper and nickel products to be purchased by CMOC Group Companies from CATL Group for the three years ending 31 December 2028 has considered the production capacity of CATL Group.

With regard to the Company's estimation on the unit market prices of copper and nickel products for the three years ending 31 December 2028, we are advised by the management of the Group that each unit market price is projected with reference to (a) the international average spot price of copper cathode on the London Metal Exchange for the five months ended 31 May 2026 of approximately US$12,977 per tonne and a growth rate of 10%. As advised by the management of the Group, the adoption of a growth rate of 10% in projecting the unit market prices of copper products is primarily due to the fact that the copper prices hit new multi-year highs in 2026 as a result of supply disruptions, increased industrial demand and structural shortages in global mining markets and such conditions are considered to sustain in the coming years. Based on our independent market research, we noted that Goldman Sachs lifted its end-2026 copper price target by more than 10% in early June 2026, raising its forecast to US$13,735 per tonne from a previous US$12,465 per tonne. The revision is drive by a weaker-than-expected supply outlook: the bank slashed its global mine supply estimate by 350,000 tonnes, citing ongoing operational disruptions at Indonesia's Grasberg complex and Ivanhoe Mines' Kamoa-Kakula operation in Congo (DRC) and neither mine is expected back at full capacity before 2028. While supply tightens, demand is accelerating from multiple long-term growth sectors. Copper is a critical material for electricity grids, electric vehicles, renewable energy systems, and now artificial intelligence infrastructure. In view of the flagged weaker supply growth from mines and resilient demand driven by artificial intelligence infrastructure and the energy transaction, Citi forecasted the copper products to hit US$14,500 per tonne in 2026 and US$15,000 per tonne within the next year. Based on the above, we consider the growth rate of 10% in projecting the unit market prices of copper products is reasonable; and (b) the international average spot price of nickel metal on the London Metal Exchange for the five months ended 31 May 2026 of approximately US$17,753 per tonne. We have crossed checked the aforesaid pricing indexes on the relevant futures and forwards exchange and noted that the average market prices of these metal products in the relevant periods were consistent with the estimated unit market prices adopted in determining the proposed annual caps in the coming three years. On this basis, we consider the estimation of the unit market prices of copper and nickel products for the three years ending 31 December 2028 to be fair and reasonable.

With reference to the annual reports of the Group for FY2024 and FY2025, we noted that the international market prices of metal products have fluctuated a lot from 2023 to 2025. For instance, the international market price of copper cathode has increased by approximately 7.8% from 2023 to 2024 and further increased by approximately 8.7% from 2024 to 2025. As such, we consider it is fair and reasonable to adopt a buffer of 10% to cater for the possible and unpredictable fluctuations in metal prices.

In respect of the expected demand of CMOC Group Companies on EV batteries and ESS batteries, the Company has taken into account the expected demand on EV batteries and ESS batteries arising from its relevant potential development projects, which are being actively advanced to secure local power and support the Group's business operation in Congo (DRC). The procurement of EV batteries and ESS batteries is intended to support the development and operation of such projects in 2026 and 2027 and their maintenance in 2028. As advised by the management of the Group, such amounts are determined based on the preliminary development plan of the relevant potential development projects as well as the negotiations between the Group and CATL Group on the EV batteries and ESS batteries required. Based on the above, we concur with the management of the Group on such basis of the projection.

Based on the above, we consider the proposed annual caps of the products to be purchased by CMOC Group Companies from CATL Group for the three years ending 31 December 2028 to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Interests to be paid by CMOC Group Companies to CATL Group in relation to the prepayment

In assessing the reasonableness of the proposed annual caps of the interests to be paid by CMOC Group Companies to CATL Group in relation to the prepayment under the CATL Product Sales and Procurement Framework Agreement, we have discussed with the management of the Group on the basis and assumptions underlying the projections. As advised by the management of the Group, in determining the proposed annual caps for the three years ending 31 December 2028, they have taken into account, among others, (a) the estimated outstanding balance as of 1 January 2026 of approximately US$1.6 billion for the prepayment made by CATL Group to CMOC Group Companies in 2023; (b) an estimated interest rate of approximately 5.0% per annum; (c) the arrangement of reducing principal amount of prepayment through the sale of metal products by CMOC Group Companies to CATL Group for the three years ending 31 December 2028; and (d) a 10% buffer for fluctuation in the outstanding balance for the prepayment made by CATL Group to CMOC Group Companies in the three years ending 31 December 2028 resulted from the *ad hoc* purchases to be made by CATL Group.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the proposed annual caps and reviewed the relevant calculations which have also been confirmed and agreed by CATL Group. As disclosed in the announcement of the Company dated 31 October 2022, pursuant to the agreements between CMOC Group Companies and CATL Group entered into in July 2021 and January 2022, CATL Group agreed to purchase cobalt and other products from CMOC Group Companies since 2023 with a prepayment of approximately US$2.066 billion. As advised by the management of the Group, such amount of prepayment has been made by CATL Group in January 2022 and both parties agreed to reduce its principal amount through the sale of metal products by CMOC Group Companies to CATL Group for the three years ending 31 December 2028. The outstanding balance is estimated to be approximately US$1.6 billion as of 1 January 2026. Pursuant to the CATL Product Sales and Procurement Framework Agreement, the interest rate will be determined by both parties to the contract through amicable consultations with reference to the U.S. bond yield and fixed rate of interest rate swaps at a margin of no more than 2% over the U.S. bond yield of same maturity, and taking into account factors including the parties' respective financing costs and the Federal Reserve's view on the trend of interest rates. Based on our independent research on Bloomberg, the U.S. bond yield for 1 year and 3 years amounted to approximately 3.799% and 4.083%, respectively, as at 1 June 2026. In addition, as disclosed in the 2025 Annual Report, as at 31 December 2025, the annual interest rate for the Group's long-term borrowings ranged from 2.0000% to 6.8073%. The estimated annual interest rate of approximately 5.0% is within the Group's annual interest rate range of long-term borrowings, which we considered to be fair and reasonable.

As advised by the management of the Group, CATL Group may make additional prepayments to CMOC Group Companies for its *ad hoc* purchases from time to time in the coming three years, which would increase the outstanding balance of the prepayment in calculating the interests to be paid by CMOC Group Companies to CATL Group. Given that receiving additional prepayments from CATL Group could enhance the cash balance and improve cash flows of the Group as compared to settling the transaction amounts after the products delivery, we consider it is fair and reasonable to adopt a buffer of 10% to cater for the outstanding balance of prepayment.

Based on the above, we consider the proposed annual caps of the interests to be paid by CMOC Group Companies to CATL Group in relation to the prepayment for the three years ending 31 December 2028 to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

As advised by the management of the Group, the Group has not provided such prepayment arrangement with interest to be paid by CMOC Group Companies to any independent third parties for similar transactions. Taking into account that (a) the prepayment in the amount of approximately US$2.066 billion has been made by CATL Group to CMOC Group Companies in January 2022 which showed CATL Group's solid support to the strategic cooperation between CATL Group and CMOC Group Companies; (b) the interest rate will be determined with reference to the U.S. bond yield and fixed rate of interest rate swaps and taking into account factors including the parties' respective financing costs and the Federal Reserve's view on the trend of interest rates; and (c) the estimated interest rate of 5.0% per annum is within the Group's annual interest rate range of long-term borrowings, we consider the prepayment arrangement with interest to be paid by CMOC Group Companies under the CATL Product Sales and Procurement Framework Agreement is under normal commercial terms.

(ii) the KFM Product Sales and Procurement Framework Agreement

Set out below are the historical annual caps and actual transaction amounts under the Existing KFM Product Sales and Procurement Framework Agreement for the periods indicated:

	For the year ended 31 December 2025 *(US$' million)*	**For the five months ended 31 May 2026** *(US$' million)*
Products purchased by CMOC Group from KFM Group		
– Annual caps	3,500	3,800 (for the year ending 31 December 2026)
– Actual transaction amount	2,787.5	1,334.4
– Utilisation rate	79.6%	35.1%

	For the year ended 31 December 2025 *(US$' million)*	For the five months ended 31 May 2026 *(US$' million)*
Equipment, materials, relevant services, etc. provided by CMOC Group to KFM Group		
– Annual caps	1,400	1,000 (for the year ending 31 December 2026)
– Actual transaction amount	261.1	426.6
– Utilisation rate	18.7%	42.7%
Interests paid by KFM Group to CMOC Group in relation to the prepayment		
– Annual caps	45	45 (for the year ending 31 December 2026)
– Actual transaction amount	–	–
– Utilisation rate	–	–

As shown in the table above, the actual transaction amounts regarding CMOC Group's purchase of products from KFM Group under the Existing KFM Product Sales and Procurement Framework Agreement were approximately US$2,787.5 million and US$1,334.4 million for FY2025 and 5M2026, respectively, representing approximately 79.6% and 35.1% of the total annual cap in 2025 and 2026, respectively, which were fairly utilised.

The actual transaction amounts regarding CMOC Group's sale of equipment, materials, relevant services, etc. to KFM Group under the Existing KFM Product Sales and Procurement Framework Agreement were approximately US$261.1 million and US$426.6 million for FY2025 and 5M2026, respectively, representing approximately 18.7% and 42.7% of the total annual cap in 2025 and 2026, respectively. Such low utilisation rate in 2025 was primarily attributable to cost control measures undertaken by KFM Group and the adjustments made to the construction schedule for KFM's Phase II expansion project.

The actual transaction amounts of interests paid by KFM Group to CMOC Group in relation to the prepayment under the Existing KFM Product Sales and Procurement Framework Agreement were approximately nil for both of FY2025 and 5M2026. Such zero utilisation rates in 2025 and 2026 were primarily attributable to that no prepayments were paid by CMOC Group in purchasing products from KFM Group.

Pursuant to the KFM Product Sales and Procurement Framework Agreement, the proposed annual caps for the transactions under the KFM Product Sales and Procurement Framework Agreement are set out below:

	For the year ending 31 December		
	2026	**2027**	**2028**
	(US$' million)	*(US$' million)*	*(US$' million)*
Products to be purchased by CMOC Group from KFM Group	6,050	7,800	14,000
Equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group to KFM Group	1,300	1,500	1,450
Interests to be paid by KFM Group to CMOC Group in relation to the prepayment	45	45	45

Set out below is the breakdown of the products to be purchased by CMOC Group from KFM Group under the KFM Product Sales and Procurement Framework Agreement:

	For the year ending 31 December		
	2026	**2027**	**2028**
Products to be purchased by CMOC Group from KFM Group			
– Copper products (US$ million)	**3,169.7**	**4,852.4**	**4,694.6**
Unit market price (US$ per tonne)	14,275	14,275	14,275
Quantity (tonnes)	222,053	339,932	328,875
– Cobalt products (US$ million)	**2,292.5**	**2,196.7**	**8,021.1**
Unit market price (US$ per tonne)	56,326	56,326	56,326
Quantity (tonnes)	40,700	39,000	142,405

Products to be purchased by CMOC Group from KFM Group

In assessing the reasonableness of the proposed annual caps of the products to be purchased by CMOC Group from KFM Group under the KFM Product Sales and Procurement Framework Agreement, we have discussed with the management of the Group on the basis and assumptions underlying the projections. As advised by the management of the Group, in determining the proposed annual caps for the three years ending 31 December 2028, they have taken into account, among others, (a) the estimated production volume of copper and cobalt products of KFM Group in the future as well as the KFM's cobalt export quota; (b) the expected demand of the Group in terms of the products provided by KFM Group; and (c) the fluctuation of the price and demand for copper and cobalt products. The proposed annual caps are then arrived at by the estimated quantity of copper and cobalt products to be supplied by KFM Group to CMOC Group for the three years ending 31 December 2028 multiplied by the respective unit market price of copper and cobalt products as well as a buffer of 10% to cater for the fluctuation in the prices for these metal products in the future.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the proposed annual caps and reviewed the relevant calculations which have also been confirmed and agreed by KFM Group. As disclosed in the 2025 Annual Report, in TFM and KFM, the copper-cobalt projects have increased their existing production capacity through throughput enhancement initiatives and recovery rates improvement campaigns, reaching copper and cobalt production volume of approximately 741,100 tonnes and 117,500 tonnes, respectively, for FY2025. In particular, KFM has reached copper and cobalt production volume of approximately 226,000 tonnes and 85,000 tonnes, respectively, for FY2025. Meanwhile, KFM's Phase II expansion project is progressing smoothly, with the project scheduled to put into operation in 2027. Once operation, it is expected to add approximately 7.26 million tonnes per annum of ore processing capacity, contributing approximately 100,000 tonnes per year at full capacity of copper products, further expanding the Company's production capacity. As advised by the management of the Group, after considering the increase in production efficiency, the improved recovery rate and economies of scale, it is expected that KFM will reach average annual production volume of approximately 300,000 tonnes of copper products and 130,000 tonnes of cobalt products in the coming three years. In this regard, we have obtained and reviewed the projection of the production plan of KFM and noted that the KFM's production volume of copper and cobalt products for the year ending 31 December 2026 is estimated to be in line with its historical level in 2025 while the production volume of copper and cobalt products for the two years ending 31 December 2028 is estimated based on the historical level in 2025 and the increase in production capacity and efficiency after the completion of KFM's Phase II expansion project. We have also obtained and reviewed the feasibility study report of KFM's Phase II expansion project issued by an independent engineering technology company which includes an exhaustive analysis of the project's geology mineral resources, construction plan, scale and investment, infrastructure and logistics, mine design and planning, risk assessment and financial performance. Based on our review, we noted that the estimated increase in production volume of copper and cobalt products for the two years ending 31 December 2028 in the production plan of KFM is in line with expected production volume as stated in the feasibility study report of KFM's Phase II expansion project. The quantity of copper and cobalt products to be purchased by CMOC Group from KFM Group for the three years ending 31 December 2028 is then estimated based on the expected production volume of KFM. As KFM is one of the Group's important resources and reserves of copper and cobalt products, the Group intends to purchase all of copper and cobalt products to be produced by KFM to ensure the stableness of the Group's daily business and satisfy the increased market demand. On the other hand, as disclosed above, in October 2025, the Congo (DRC) government lifted the Cobalt Export Ban and implemented a cobalt quota export policy. As advised by the management of the Group, the existing Cobalt Export Ban has specified the KFM's cobalt export quota in 2026 and 2027 while there is no information on whether the Congo (DRC) government will release or continue to impose such quota restriction in 2028. As such, the quantity of cobalt products to be supplied by KFM

Group to CMOC Group for the two years ending 31 December 2027 is restricted by the KFM's cobalt export quota while the quantity of cobalt products to be supplied by KFM Group to CMOC Group for the year ending 31 December 2028 is based on the expected production volume of KFM. Based on the above, we concur with the management of the Group on such basis of the projection.

With regard to the Company's estimation on the unit market prices of copper and cobalt products for the three years ending 31 December 2028, we are advised by the management of the Group that each unit market price is projected with reference to (a) the international average spot price of copper cathode on the London Metal Exchange for the five months ended 31 May 2026 of approximately US$12,977 per tonne and a growth rate of 10%. As advised by the management of the Group, the adoption of a growth rate of 10% in projecting the unit market prices of copper products is primarily due to the fact that the copper prices hit new multi-year highs in 2026 as a result of supply disruptions, increased industrial demand and structural shortages in global mining markets and such conditions are considered to sustain in the coming years. Based on our independent market research, we noted that Goldman Sachs lifted its end-2026 copper price target by more than 10% in early June 2026, raising its forecast to US$13,735 per tonne from a previous US$12,465 per tonne. The revision is drive by a weaker-than-expected supply outlook: the bank slashed its global mine supply estimate by 350,000 tonnes, citing ongoing operational disruptions at Indonesia's Grasberg complex and Ivanhoe Mines' Kamoa-Kakula operation in Congo (DRC) and neither mine is expected back at full capacity before 2028. While supply tightens, demand is accelerating from multiple long-term growth sectors. Copper is a critical material for electricity grids, electric vehicles, renewable energy systems, and now artificial intelligence infrastructure. In view of the flagged weaker supply growth from mines and resilient demand driven by artificial intelligence infrastructure and the energy transaction, Citi forecasted the copper products to hit US$14,500 per tonne in 2026 and US$15,000 per tonne within the next year. Based on the above, we consider the growth rate of 10% in projecting the unit market prices of copper products is reasonable; and (b) the international market price of cobalt metal for the five months ended 31 May 2026 of approximately US$25.68 per lb (equivalent to approximately US$56,614.7 per tonne) as disclosed in the Fastmarkets, which was the average low price of Metal Bulletin standard grade cobalt, multiplied by the pricing coefficient of approximately 99.49% to reflect the difference in the percentage of metal content and the impurity element content in the metals. We have crossed checked the aforesaid pricing indexes on the relevant futures and forwards exchange and cross-commodity price reporting agency, and noted that the average market prices of these metal products in the relevant periods were consistent with the estimated unit market prices adopted in determining the proposed annual caps in the coming three years. On this basis, we consider the estimation of the unit market prices of copper and cobalt products for the three years ending 31 December 2028 to be fair and reasonable.

As advised by the management of the Group, the pricing coefficient of 99.49% adopted for cobalt products is determined with reference to the historical cobalt hydroxide payable factors published by Fastmarkets. We have reviewed the relevant coefficient index and noted that the average low coefficient of historical cobalt hydroxide payable factors amounted to approximately 99.49% for the five months ended 31 May 2026. As such, we consider the pricing coefficient adopted by the Company is fair and reasonable.

With reference to the annual reports of the Group for FY2024 and FY2025, we noted that the international market prices of metal products have fluctuated a lot from 2023 to 2025. For instance, the international market price of cobalt metal has decreased by approximately 25.5% from 2023 to 2024 but increased by approximately 42.8% from 2024 to 2025. Furthermore, the international market price of copper cathode has increased by approximately 7.8% from 2023 to 2024 and further increased by approximately 8.7% from 2024 to 2025. As such, we consider it is fair and reasonable to adopt a buffer of 10% to cater for the possible and unpredictable fluctuations in metal prices.

Having taking into account (a) that the proposed annual caps which have been arrived at after discussion between CMOC Group and KFM Group, have considered the expected demand of CMOC Group on copper and cobalt products as well as the estimated unit market prices of these products; (b) the actual and expanded production volume of KFM in copper and cobalt products; (c) the basis of the estimated unit market prices of copper and cobalt products; and (d) a buffer of 10% to cater for the fluctuation in the price for copper and cobalt products in the future, we consider the proposed annual caps of the products to be purchased by CMOC Group from KFM Group for the three years ending 31 December 2028 to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group to KFM Group

In assessing the reasonableness of the proposed annual caps of the equipment, materials, electricity, relevant services, etc. to be provided by CMOC Group to KFM Group under the KFM Product Sales and Procurement Framework Agreement, we have discussed with the management of the Group on the basis and assumptions underlying the projections. As advised by the management of the Group, in determining the proposed annual caps for the three years ending 31 December 2028, they have taken into account, among others, (a) the expected demand of the KFM Group on the equipment, materials, electricity and relevant services, etc. provided by CMOC Group, taking into account the KFM's Phase II expansion project which is expected to be put into production in 2027; (b) the historical transaction amounts regarding the equipment, materials, relevant services, etc. provided by CMOC Group to KFM Group; (c) the implementation timetable of the relevant projects; and (d) a 10% buffer for the fluctuation caused by the inflation and increasing administrative cost for human resources.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the proposed annual caps and reviewed the relevant calculations which have also been confirmed and agreed by KFM Group. As advised by the management of the Group, as restricted by the limited level of local industrial development, KFM Group has to import part of its required manufacturing equipment, materials, electricity and relevant services from overseas. Against this backdrop and in order to reduce production costs, the Group decided to provide such manufacturing equipment, materials, electricity and relevant services to KFM Group by utilising the Group's own global procurement platform. We have obtained and reviewed the procurement plan of production materials and equipment, electricity and relevant services required by KFM Group for the three years ending 31 December 2028, and noted that the such annual purchase budgets are estimated based on (a) the actual transaction amounts incurred for 5M2026; (b) the preliminary production plan of KFM for the three years ending 31 December 2028 after considering the increase in production efficiency, the improved recovery rate and the progress of KFM's Phase II expansion project; (c) the expected management, information technology and other relevant services to be provided by CMOC Group to KFM Group; (d) KFM Group's projected procurement requirements for equipment, materials, electricity and operational supplies (including its anticipated capital expenditure requirements in connection with expansion projects and sustaining capital expenditure programmes); and (e) the expected supply of electricity by the CMOC Group to the KFM Group under the relevant power projects. In particular, as disclosed in the Company's announcement dated 24 October 2025, the Company planned to invest approximately US$1.08 billion in developing KFM's Phase II expansion project and such amount is expected to be expensed in purchasing the relevant production materials and equipment through the Group's own global procurement platform. We have obtained and reviewed the breakdown of equipment, materials and relevant services, etc. provided by CMOC Group to KFM Group for 2025 and 5M2026 and noted that the proposed annual caps of the equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group to KFM Group for the three years ending 31 December 2028 are generally in line with the sum of (a) the annualised amount of the actual transaction amounts incurred for 5M2026; (b) the expected supply of electricity by CMOC Group to KFM Group; and (c) a buffer of 10%. As discussed above, in order to secure local power supply for the Group's business operations in Congo (DRC), the Company has actively advanced the development of relevant projects. Accordingly, the Group will also provide electricity to KFM since 2027 once the construction of the relevant projects is completed. The electricity purchase amounts are estimated based on the historical electricity amount required by KFM, the preliminary production plan of KFM for the three years ending 31 December 2028 and the unit industrial electricity fee rate in Congo (DRC). Based on our independent public research, we noted that the electricity access in Congo (DRC) remains among the lowest in Africa with national electrification rate amounting to approximately 21.5%. The massive energy shortage in mining industry has forced mining operators to import power from neighboring countries or invest heavily in self-generation. We have noted that certain Chinese listed companies, such as Fujian Longking Co., Ltd. (600388.CH) and Ganzhou Tengyuan Cobalt New Material Co., Ltd. (301219.CH) have also invested in the construction of development projects in Congo (DRC) to provide electricity to its local factories and mines and the unit industrial electricity fee rate to be charged by the Group is generally in line with the fee rate charged by these companies. Based on the above, we concur with the management of the Group on such basis of the projection.

According to the International Monetary Fund (source: https://www.imf.org/external/datamapper/PCPIPCH@WEO/COD), the inflation rate of Congo (DRC) amounted to approximately 17.7% and 7.4% in 2024 and 2025, respectively. As such, we consider the buffer of 10% to cater for the fluctuation caused by the inflation and increasing administrative cost for human resources is fair and reasonable.

Having taking into account that (a) the proposed annual caps which have been arrived at after discussion between CMOC Group and KFM Group, have considered the projected production volumes, expected procurement quantities, prevailing market prices and quotations and the implementation timetable of the relevant projects; (b) it is cost – and time-efficient to utilise the Group's established global procurement platform to provide the required manufacturing equipment, materials, electricity and relevant services to KFM Group where local procurement cannot satisfy KFM Group's demand and requirements; and (c) a buffer of 10% to cater for the fluctuation caused by the inflation and increasing administrative cost for human resources, we are of the view that the proposed annual caps of the equipment, materials, electricity and relevant services, etc. to be provided by CMOC Group to KFM Group for the three years ending 31 December 2028 are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Interests to be paid by KFM Group to CMOC Group in relation to the prepayment

In assessing the reasonableness of the proposed annual caps of the interests to be paid by KFM Group to CMOC Group in relation to the prepayment under the KFM Product Sales and Procurement Framework Agreement, we have discussed with the management of the Group on the basis and assumptions underlying the projections. As advised by the management of the Group, in determining the proposed annual caps for the three years ending 31 December 2028, they have taken into account, among others, (a) the maximum prepayment of approximately US$500.0 million to be made by CMOC Group to KFM Group; and (b) the estimated annual interest rate of approximately 9.0%.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the proposed annual caps and reviewed the relevant calculations which have also been confirmed and agreed by KFM Group. As advised by the management of the Group, the maximum prepayment to be made by CMOC Group is determined after negotiations with KFM Group based on the expected average production volume of KFM Group, the expected demand of CMOC Group and the corresponding expected sale, delivery and prepayment arrangement on the copper and cobalt products to be supplied by KFM Group to CMOC Group. Pursuant to the KFM Product Sales and Procurement Framework Agreement, the interest rate will be determined by the parties to the agreement upon amicable negotiations with reference to the US$ Secured Overnight Financing Rate (SOFR) and the interest rates of the medium – and long-term loans granted by third party financial institutions to CMOC Group plus a margin of 2% to 6%. Based on our independent research on the official website of the Federal Reserve Bank of New York (source: https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index), the average 30-day and 180-day USD Secured Overnight Financing Rate (SOFR) amounted to approximately 3.59% and 3.69%, respectively as at 1 June 2026. Given the relatively high financing costs of Congo (DRC) in USD where KFM is located, the Company adopted a high-end margin of close to 6% in estimating the annual interest rate. As such, the projection of approximately 9.0% annual interest rate is considered to be fair and reasonable.

Based on the above, we consider the proposed annual caps of the interests to be paid by KFM Group to CMOC Group in relation to the prepayment for the three years ending 31 December 2028 to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

As advised by the management of the Group, the Group has not provided such prepayment arrangement with interest to be paid by the counterparty to any independent third parties for similar transactions. Taking into account that (a) such prepayment arrangement demonstrated the Group's determination to develop and build KFM into a world-class copper and cobalt producer, which will ultimately benefit the Group in sourcing stable and reliable supply of metal products for its daily business and satisfying its future demand from time to time; (b) the interest rate will be determined with reference to USD Secured Overnight Financing Rate (SOFR) and the interest rates of the medium – and long-term loans granted by third party financial institutions to CMOC Group plus a margin of 2% to 6%; and (c) the estimated interest rate of 9.0% per annum is much larger than the Group's annual interest rate range of long-term borrowings and a higher interest rate to be received by the Group is in the interest of the Company.

In reviewing the proposed annual caps under the Agreements, we have (i) reviewed the internal calculation worksheets in determining the respective proposed annual caps which were prepared by the Group based on, among other things, the expected production capacity of KFM, Huayue and CATL Group and the expected demand of CATL Group, the Group and KFM Group on metal products, EV batteries and ESS batteries, equipment, materials, electricity and relevant services, which (a) were estimated based on the Group's understanding in the current status of KFM and future development plan, as well as the Group's reference to its strategy to strengthen its cooperation with CATL Group; and (b) has been confirmed and agreed by CATL Group and KFM Group; and (ii) performed independent research on the industry outlook of non-ferrous metal products sector in the PRC which shows sustainable and solid growth as driven by the rapid development of photovoltaic, wind power, power and storage batteries and new energy vehicles markets and the promulgation of favourable government policies to support the growth of the new energy market in the PRC.

According to the "Guiding Opinions on Promoting the Consumption and Regulation of New Energy" (關於促進新能源消納和調控的指導意見) (source: https://www.ndrc.gov.cn/xxgk/zcfb/tz/202511/t20251110_1401469.html) issued by China's National Development and Reform Commission and National Energy Administration in in October 2025, it established a comprehensive framework to transition from rapid renewable capacity expansion to highly efficient, market-driven, and regulated clean power utilization and targeted to construct a coordinated, multi-level regulatory system meeting new energy consumption demands exceeding 200 million kilowatts annually to support peak carbon goals by 2030.

Generally speaking, in our opinion, it is in the interests of the Group and the Independent Shareholders for the proposed annual caps of the Agreements to be as accommodating to the Group's development plan as possible taking into account the positive market outlook of non-ferrous metal products sector in the PRC and the possibility of higher global market prices of non-ferrous metal products which are highly dependent on multiple complex factors such as the global economic conditions, international supply and demand, low-carbon transition and development, and downstream industry demand. Provided that the terms of the Transactions are fair and reasonable and the conduct of the Transactions are subject to annual review by the independent non-executive Directors and auditors of the Company as required under the Listing Rules, the Group would have flexibility in conducting and expanding its businesses and enhancing its strategic cooperation with CATL Group if the proposed annual caps are tailored to future business growth. Based on the above analysis, we are of the view that the revised and proposed annual caps are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

6. Internal control measures of the Group

In order to protect the interests of the Shareholders, the Group has adopted the following internal control measures to regulate and monitor the respective individual transactions to be conducted within the Agreements:

(i) the Company has designated a specific department to monitor the market price of the products, equipment, materials, electricity and relevant services provided or purchased. As for the products to be provided by CMOC Group Companies to CATL Group under the CATL Product Sales and Procurement Framework Agreement, the department will (a) check the quotations of copper, cobalt and nickel products which are of the similar quality as those provided by the CMOC Group Companies on the websites of https://www.lme.com/, https://www.fastmarkets.com/, https://www.mysteel.net/, https://www.gfex.com.cn/ and https://www.smm.cn/ on a daily basis before the entering into of each CATL Subsequent Agreement; and (b) check the final contract prices of the copper, cobalt and nickel products offered to three third parties by CMOC Group Companies from time to time. As for (a) the products to be provided by CATL Group to CMOC Group Companies under the CATL Product Sales and Procurement Framework Agreement and (b) the products to be provided by KFM Group to CMOC Group under the KFM Product Sales and Procurement Framework Agreement, the department will (a) check the quotations of copper, cobalt and nickel products which are of the similar quality as those provided by KFM Group to CMOC Group on the websites of https://www.lme. com/, https://www.fastmarkets.com/, https://www.mysteel.net/ and https://www.smm.cn/ on a daily basis before the entering into of each CATL Subsequent Agreement and KFM Subsequent Agreement; (b) check the final contract prices of copper, cobalt and nickel products offered by three third parties to CMOC Group from time to time; (c) in relation to EV batteries and ESS batteries, check the prices of products of similar natures that CATL Group supplies to other independent third parties in the market; and (d) regularly monitor and collect detailed information on the price of the equipment, materials, electricity and relevant services to be provided by CMOC Group to KFM Group and compare with the market price and the quotations offered by three comparable independent third parties;

(ii) the Company's auditor and the independent non-executive Directors will conduct annual review on the pricing principles, transaction terms and the proposed annual caps under the Agreements; and

(iii) the Company will monitor the annual caps and reasonableness and fairness under the Agreements according to KFM Copper and Cobalt Mine's actual production situation, estimated demand for equipment, materials and electricity, relevant prices provided by third-party suppliers, and whether it is cost – and time-effective for the global procurement platform to provide the required manufacturing equipment, materials and electricity to KFM Group, etc.

In assessing whether the above internal control measures are put in place and effectively implemented, we have obtained and reviewed internal approval records for separate agreements between the Group and CATL Group under the Existing CATL Product Sales and Procurement Framework Agreement and internal approval records for separate agreements between the Group and KFM Group under the Existing KFM Product Sales and Procurement Framework Agreement. Such internal approval records showed the appropriate approval of different departments of the Group on each separate agreement entered into between the Group and CATL Group or KFM Group. As such, we consider that the transactions contemplated thereunder were properly authorised and monitored. In addition, we have obtained and reviewed the relevant internal control policies of the Group such as "Connected Transactions Management Policy" (關聯交易管理制度) and "Independent Directors Working Policy" (獨立董事工作制度) and noted that the Group will check the market prices on public domain and compare with similar products providers in the market which are independent third parties, as to the prices of the products under each CATL Subsequent Agreement and KFM Subsequent Agreement. In this respect, we have obtained and reviewed the Group's internal records and noted that the market quotes on metal products were checked and recorded by the Group on a daily basis. In addition, as discussed in the section headed "4. Principal terms of the Agreements" above, we have reviewed (i) a total of 40 samples of metal products procurement or sale contracts and invoices between the Group and (a) CATL Group; or (b) independent third parties; and (ii) a total of 22 samples of metal products procurement contracts between the Group and (a) KFM Group; or (b) independent third parties. Based on our review, we noted that the prices for the sale and procurement of metal products by the Group were conducted in accordance with the relevant market-based pricing principle under the Existing Agreements. As such, we are of the view that the above internal control measure adopted by the Group for monitoring the transactions contemplated under the Agreements (including the pricing policies) are effectively implemented.

Having considered the above, in particular (i) that as discussed in the section headed "4. Principal terms of the Agreements" above, the pricing policies under the Agreements that the price for each lot of metal products to be purchased or sold by the Group and each lot of equipment, materials, electricity and relevant services, etc. to be sold by the Group should be determined with reference to the prevailing market price market has been adherence in accordance with the Group's internal control procedures; (ii) the ongoing monitoring of the transactions under the Agreements;

and (iii) the requirements under the Listing Rules for the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the transactions under the Agreements as discussed below, we concur with the Directors that appropriate and adequate internal control procedures are in place to ensure that the transactions contemplated under the Agreements will be appropriately monitored and conducted on commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

7. Reporting requirements and conditions of the Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Transactions are subject to the following annual review requirements:

(i) the independent non-executive Directors must review the Transactions and confirm in the annual report and accounts that the Transactions have been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

(ii) the Company must engage its auditors to report on the Transactions every year. The Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Transactions:

(a) have not been approved by the Board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group if the Transactions involve the provision of goods or services by the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreement governing the Transactions; and

(d) have exceeded the proposed annual caps;

(iii) the Company must allow, and ensure that the counter-parties to the Transactions allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Transactions as set out in paragraph (ii); and

(iv) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required.

In light of the reporting requirements attached to the Transactions, in particular, (i) the restriction of the value of the Transactions by way of the proposed annual caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the Transactions and the proposed annual caps not being exceeded, we are of the view that appropriate measures have been in place to monitor the conduct of the Transactions and assist in safeguarding the interests of the Independent Shareholders.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the entering into of the Agreements are conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the Agreements (including the revised and proposed annual caps) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Agreements (including the revised and proposed annual caps).

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading and deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executives' Interests and Short Positions in shares, underlying shares and debentures of the Company or any associated corporations

As at the Latest Practicable Date, the shareholding of A Shares of the current Directors and chief executives of the Company was as follows:

Name	Number of Shares held	Percentage in total share capital
Que Chaoyang	5,000	0.000023%
Total	5,000	0.000023%

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, none of the Directors and chief executives of the Company and their respective associates had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO, which required the Company and Stock Exchange to be notified pursuant to Part XV of the SFO or which were required to be entered into the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

(b) Substantial Shareholders' Interests in Shares

To the best knowledge of all Directors, as at the Latest Practicable Date, the persons or companies (other than Directors or the chief executives of the Company) who had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or who were deemed to be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Name	Number of Shares held	Capacity	Class of Share	Approximate percentage of shares in relevant class of Shares
Cathay Fortune Corporation ("**CFC**")[(1)(4)]	5,030,220,000 303,000,000 (L)	Beneficial owner Interest in controlled corporation	A Share H Share	28.81% 7.70% (L)
Luoyang Times Resources Holdings Co., Ltd. (Former name: Luoyang Mining Group Co., Ltd.)	5,329,780,425	Beneficial owner	A Share	30.52%
BlackRock, Inc.[(2)]	311,402,410 (L) 2,655,000 (S)	Interest in controlled corporation	H Share	7.92% (L) 0.07% (S)
JPMorgan Chase & Co.[(3)]	233,154,571 (L) 69,854,178 (S) 106,665,227 (P)	Beneficial owner/ investment manager/ person having a security interest in shares/approved lending agent	H share	5.92% (L) 1.77% (S) 2.71% (P)

Notes: (L) – Long position, (S) – Short position, (P) – Lending pool

(1) As at the Latest Practicable Date, CFC beneficially held 5,030,220,000 A Shares, and had an interest in the 303,000,000 H Shares held by its wholly-owned subsidiaries Cathay Fortune Investment Limited and Cathay Fortune International Company Limited.

(2) BlackRock, Inc. is deemed to hold a total of long position of 311,402,410 H Shares and a short position of 2,655,000 H Shares due to its control rights over a number of companies. BlackRock Finance, Inc., Trident Merger, LLC, BlackRock Investment Management, LLC, BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock Holdco 4, LLC, BlackRock Holdco 6, LLC, BlackRock Delaware Holdings Inc., BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Capital Holdings, Inc., BlackRock Advisors, LLC, BlackRock International Holdings, Inc., BR Jersey International Holdings L.P., BlackRock Lux Finco S.àr.l., BlackRock Japan Holdings GK, BlackRock Japan Co., Ltd., BlackRock Holdco 3, LLC, BlackRock Canada Holdings ULC, BlackRock Asset Management Canada Limited, BlackRock Australia Holdco Pty. Ltd., BlackRock Investment Management (Australia) Limited, BlackRock (Singapore) Holdco Pte. Ltd., BlackRock HK Holdco Limited, BlackRock Asset Management North Asia Limited, BlackRock Cayman 1 LP, BlackRock Cayman West Bay Finco Limited, BlackRock Cayman West Bay IV Limited, BlackRock Group Limited, BlackRock Finance Europe Limited, BlackRock (Netherlands) B.V., BlackRock Advisors (UK) Limited, BlackRock International Limited, BlackRock Group Limited-Luxembourg Branch, BlackRock Luxembourg Holdco S.àr.l., BlackRock Investment Management Ireland Holdings Unlimited Company, BlackRock Asset Management Ireland Limited, BLACKROCK (Luxembourg) S.A., BlackRock Investment Management (UK) Limited, BlackRock (Netherlands) B.V. - German Branch - Frankfurt BlackRock, BlackRock Asset Management Deutschland AG, BlackRock Fund Managers Limited, BlackRock Life Limited, BlackRock (Singapore) Limited, BlackRock UK Holdco Limited, BlackRock Asset Management Schweiz AG, EG Holdings Blocker, LLC, Amethyst Intermediate, LLC, Aperio Holdings, LLC and Aperio Group, LLC, being the controlled corporations, directly or indirectly hold the shares of the Company.

(3) JPMorgan Chase & Co. is deemed to hold a total of long position of 233,154,571 H shares, short position of 69,854,178 H shares and lending pool of 106,665,227 H shares of the Company due to its control rights over a number of companies. JPMorgan Asset Management (China) Company Limited, JPMorgan Asset Management (Taiwan) Limited, J.P. Morgan SE, J.P. MORGAN MARKETS LIMITED, J.P. Morgan Securities LLC, JPMORGAN ASSET MANAGEMENT (UK) LIMITED, J.P. Morgan Investment Management Inc., J.P. Morgan Prime Inc., JPMorgan Asset Management (Singapore) Limited. JPMorgan Asset Management (Japan) Limited, JPMorgan Chase Bank, National Association, J.P. MORGAN FINANCIAL INVESTMENTS LIMITED, J.P. Morgan Alternative Asset Management, Inc., JPMorgan Asset Management (Asia Pacific) Limited, J.P. MORGAN SECURITIES PLC, JPMorgan Asset Management Holdings Inc., JPMorgan Chase Holdings LLC, J.P. Morgan International Finance Limited, J.P. Morgan Broker-Dealer Holdings Inc., JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED, JPMorgan Asset Management (Asia) Inc. and J.P. MORGAN CAPITAL HOLDINGS LIMITED, being the controlled corporations, directly or indirectly hold the shares of the Company.

(4) CFC has pledged its 297,108,000 A shares of the Company to China Bond Insurance Co., Ltd. (中債信用增進投資股份有限公司) as a counter-guarantee measure for the guarantee provided by China Bond Insurance Co., Ltd. in respect of the bonds issued by CFC.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

As at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Company were made up.

6. COMPETING INTERESTS

The table below summarizes the information of the Directors serving in CATL and/or its associates as at the Latest Practicable Date.

Name	Major position(s) in the Group	Position in the specific company
Mr. Lin Jiuxin	• Non-executive Director	• Deputy director of the Safety Production Committee and a member of the Resources Committee of CATL
Mr. Jiang Li	• Non-executive Director	• Vice general manager, board secretary and joint company secretary of CATL

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling Shareholder).

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any member of the Group.

8. EXPERT'S QUALIFICATION AND CONSENT

The following sets out the qualifications of the expert which has given its opinion or advice as contained in this circular:

Name	Qualifications
Rainbow Capital	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Rainbow Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears. The Letter from Rainbow Capital contained in this circular was issued on 31 July 2026 and was prepared by Rainbow Capital for inclusion in this circular.

As at the Latest Practicable Date, Rainbow Capital was not beneficially interested in the share capital of any member of the Group nor has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. In addition, Rainbow Capital did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. MISCELLANEOUS

(a) The Company's registered office is at North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the PRC.

(b) The H Share Registrar of the Company is Computershare Hong Kong Investor Services Limited located at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The company secretary of the Company is Mr. Xu Hui, the secretary to the Board.

(d) The English text of this circular shall prevail over the Chinese text in the event of any inconsistency.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Company (www.cmoc.com) and the Stock Exchange (www.hkexnews.hk) for a period of 14 days from the date of this circular:

(a) the CATL Product Sales and Procurement Framework Agreement; and

(b) the KFM Product Sales and Procurement Framework Agreement.

<table>
<tr><th colspan="2">Articles of Association</th></tr>
<tr><th>Before amendment</th><th>After amendment</th></tr>
<tr><td>Article 2

…

The sponsors of the Company are Luoyang Mining Group Co., Ltd. and Cathay Fortune Corp Group Co., Ltd.</td><td>Article 2

…

The sponsors of the Company are Luoyang Times Resources Holdings Co., Ltd. (former name: Luoyang Mining Group Co., Ltd.) and Cathay Fortune Corp Group Co., Ltd.</td></tr>
<tr><td>Article 20

The total amount of ordinary shares that the Company is approved to issue is 736,842,105. The number of shares issued to the sponsors at the time of establishment is 700,000,000, with the par value of each share being RMB1, of which 357,000,000 shares are subscribed by Luoyang Mining Group Co., Ltd. and 343,000,000 shares are subscribed by Cathay Fortune Corp Group Co., Ltd. The above shares are all ordinary shares.
…

In September 2006, Luoyang China Molybdenum Investment Co., Ltd. transferred 26,157,895 shares of its shares of the Company to Luoyang Mining Group Co., Ltd. and 10,684,210 shares to Cathay Fortune Corp Group Co., Ltd.</td><td>Article 20

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<tr><td>Article 21

Names of the promoters of the Company, the number of shares subscribed, the methods of contribution and time of contribution are as follows:

<table>
<tr><th>No.</th><th>Promoters’ name</th><th>Number of shares subscribed (shares)</th><th>Method of contribution</th><th>Time of contribution</th></tr>
<tr><td>1</td><td>Luoyang Mining Group Co., Ltd.</td><td>357,000,000</td><td>Net assets converted into shares</td><td>25 August 2006</td></tr>
<tr><td>2</td><td>Cathay Fortune Corp Group Co., Ltd.</td><td>343,000,000</td><td>Net assets converted into shares</td><td>25 August 2006</td></tr>
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</table></td></tr>
</table>

Rules for Management of Raised Funds	
Before amendment	**After amendment**
Article 2 The raised fund under this system means the fund raised by a listed company from investors through the issuance of shares and derivative products thereof, and used for specific purposes. Fund raised shall be subject to the verification and issuance of a capital verification report by a qualified accounting firm engaged in securities business.	Article 2 The raised fund under this system means the fund raised by a listed company from investors through the issuance of shares and derivative products thereof, and used for specific purposes. Fund raised shall be subject to the verification and issuance of a capital verification report by a qualified accounting firm engaged in securities business. **For the fund raised by the Company overseas, relevant overseas laws and regulations and the regulatory rules of the relevant securities market shall apply. In respect of the H Shares of the Company listed on The Stock Exchange of Hong Kong Limited, the use and management of the fund raised from H Shares shall comply with the Securities and Futures Ordinance of Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the relevant regulations issued by the Securities and Futures Commission of Hong Kong.**
Article 26 The **audit committee of the Board** or one half or more of the independent Directors may engage certified public accountants to conduct a special audit on the deposit and use of the Raised Funds and issue an assurance report. The Company shall actively cooperate and bear the necessary costs. The Board shall, within two trading days after receiving the assurance report stipulated in the preceding paragraph, report to and make an announcement with The Shanghai Stock Exchange. If the assurance report concludes that there are any violations in the Company's management and use of the Raised Funds, the Board shall also announce the violations in respect of the deposit and use of the Raised Funds, the actual or potential consequences, and the measures that have been or are proposed to be taken.	Article 26 The **Audit and Risk Committee** of the Board or one half or more of the independent Directors may engage certified public accountants to conduct a special audit on the deposit and use of the Raised Funds and issue an assurance report. The Company shall actively cooperate and bear the necessary costs. The Board shall, within two trading days after receiving the assurance report stipulated in the preceding paragraph, report to and make an announcement with The Shanghai Stock Exchange. If the assurance report concludes that there are any violations in the Company's management and use of the Raised Funds, the Board shall also announce the violations in respect of the deposit and use of the Raised Funds, the actual or potential consequences, and the measures that have been or are proposed to be taken.
Article 31 These rules shall be subject to the interpretation by the Board**, and relevant amendments shall be submitted to General meetings for consideration and approval.**	Article 31 These rules **are formulated by the General meetings, any subsequent amendments thereof shall be considered and approved by the Board, and the foregoing** shall be subject to the interpretation **and implementation by the Board.**

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)

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 first extraordinary general meeting (the "**EGM**") of CMOC Group Limited* (the "**Company**") will be held at Suzhou Hall, 3rd Floor, River Wing, Pudong Shangri-La, 33 Fucheng Road, Pudong New Area, Shanghai, the People's Republic of China (the "**PRC**") at 1:30 p.m. on Thursday, 20 August 2026 for the purposes of considering, and if thought fit, approving the following resolutions. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 31 July 2026.

ORDINARY RESOLUTIONS

1. "To consider and approve the proposal on the CATL Product Sales and Procurement Framework Agreement and the proposed transactions contemplated thereunder (including the proposed annual caps thereto)."

2. "To consider and approve the proposal on the KFM Product Sales and Procurement Framework Agreement and the proposed transactions contemplated thereunder (including the proposed annual caps thereto)."

3. "To consider and approve the proposal on the proposed amendments to the Rules for Management of Raised Funds."

SPECIAL RESOLUTION

4. "To consider and approve the proposal on the proposed amendments to the Articles of Association."

By Order of the Board
CMOC Group Limited*
Liu Jianfeng
Chairman

Luoyang City, Henan Province, the PRC, 31 July 2026

As at the date of this notice, the Company's executive directors are Mr. Liu Jianfeng, Mr. Peng Xuhui and Mr. Que Chaoyang (Employee Director); the non-executive directors are Mr. Lin Jiuxin, Mr. Jiang Li and Mr. Ma Fei; and the independent non-executive directors are Mr. Wang Kaiguo, Ms. Gu Hongyu and Mr. Cheng Gordon.

* *For identification purposes only*

Notes:

(1) All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules. The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

(2) Each H Shareholder who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the EGM. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. In case that an appointer is a body corporate, the instrument must be either under the common seal of the body corporate or under the hand of its director or other person, duly authorised. If the instrument appointing a proxy is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be certified by a notary public. For H Shareholders, the form of proxy and the notarially certified power of attorney or other documents of authorisation must be delivered to the Company's H Share registrar at the address stated in note (6) below by post or facsimile (for H Shareholders only), not later than 1:30 p.m. on Wednesday, 19 August 2026 (or if the EGM is adjourned, not less than 24 hours before the time appointed for holding the adjournment EGM (as the case may be)). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the EGM or any adjournment should he/she so wish.

(3) In order to determine the list of H Shareholders who will be entitled to attend and vote at the EGM, the register of members of H Shares of the Company will be closed from Monday, 17 August 2026 to Thursday, 20 August 2026 (both days inclusive) during which period no transfer of H Shares will be effected. H Shareholders whose names appear on the register of members of H Shares of the Company on Monday, 17 August 2026 shall be entitled to attend and vote at the EGM. In order for the H Shareholders to qualify for attending and voting at the EGM, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 14 August 2026.

(4) Shareholders or their proxies must present proof of their identities upon attending the EGM. Should a proxy be appointed, the proxy must also present copies of his/her proxy form, or copies of appointing instrument and power of attorney, if applicable.

(5) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of Shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the EGM.

(6) The address and contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990/(+852) 2529 6087

(7) The address and contact details of the Company's office of the Board at its principal place of business in the PRC are as follows:

North of Yihe
Huamei Shan Road
Chengdong New District
Luanchuan County
Luoyang City
Henan Province
The People's Republic of China
Postal code: 471500
Telephone No.: (+86) 021 8033 0506
Facsimile No.: (+86) 379 6865 8017

The EGM is expected to last not more than one day. Shareholders or proxies attending the EGM are responsible for their own transportation and accommodation expenses.