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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.

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洛阳铝业

洛陽樂川鋁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)

**FINANCIAL REPORT AND BUDGET REPORT
PROPOSED DISTRIBUTION OF FINAL DIVIDEND
PROPOSED PURCHASE OF STRUCTURED DEPOSIT WITH INTERNAL IDLE FUND
PROPOSED PURCHASE OF WEALTH MANAGEMENT OR ENTRUSTED WEALTH
MANAGEMENT PRODUCTS WITH INTERNAL IDLE FUND
PROPOSED EXTERNAL GUARANTEE ARRANGEMENTS FOR THE YEAR 2023 OF
THE COMPANY
PROPOSED APPROVAL AND AUTHORIZATION TO THE BOARD TO DECIDE ON
ISSUANCE OF DEBT FINANCING INSTRUMENTS
PROPOSED PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS,
SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY
PROPOSED FORMULATION, AMENDMENT AND IMPROVEMENT OF THE
INTERNAL CONTROL SYSTEMS OF THE COMPANY
PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD FOR ISSUE OF
SHARES
PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD FOR REPURCHASE
OF H SHARES
PROPOSED PROVISION OF FINANCIAL SUPPORT TO
THE INVESTED SUBSIDIARIES
PROPOSED ADDITION OF NON-EXECUTIVE DIRECTORS OF THE
SIXTH SESSION OF THE BOARD OF THE COMPANY
PROPOSED ADDITION OF NON-EMPLOYEE REPRESENTATIVE
SUPERVISOR OF THE SIXTH SESSION OF THE
SUPERVISORY COMMITTEE OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 1 to 30 of this circular. Notice convening the AGM to be held at Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC at 1:00 p.m. on Friday, 9 June 2023 is set out on pages AGM-1 to AGM-7 of this circular. The form of proxy for use in connection with the AGM is attached to this circular.

Whether or not you are able to attend the AGM in person, you are requested to complete, sign and return the form of proxy in accordance with the instructions printed thereon. For H Shareholders, the form of proxy 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 1:00 p.m. on Thursday, 8 June 2023 (or if the AGM is adjourned, such time shall be no later than 24 hours before the time delegated for holding the relevant meeting). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

* For identification purposes only

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DEFINITIONS

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

“2023 AGM”	the 2023 annual general meeting to be held in 2024
“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 Renminbi (stock code: 603993)
“A Shareholder(s)”	holder(s) of A Shares
“AGM”	the annual general meeting of the Company (and any adjournment thereof) to be held at 1:00 p.m. on Friday, 9 June 2023 at Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC
“Articles of Association”	articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors of the Company
“Budget Report”	the financial budget report of the Company for 2023, which was approved at the ninth extraordinary meeting of the sixth session of the Board on 30 January 2023
“Company”	CMOC Group Limited* (洛陽樂川鋁業集團股份有限公司), a joint stock company established in the PRC with limited liability, the A Shares and H Shares of which are listed on the SSE and the main board of the Hong Kong Stock Exchange, respectively
“Company Law”	the Company Law of the PRC
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Final Dividend”	the proposed distribution of a final dividend of RMB0.8508 per 10 shares (tax inclusive) for the year ended 31 December 2022 as described in the 2022 Annual Report of the Company

DEFINITIONS

“Financial Report”	the 2022 financial report of the Company as set out in Appendix I to this circular, which was approved at the eighth meeting of the sixth session of the Board on 17 March 2023
“Fuchuan Mining”	Luoyang Fuchuan Mining Co., Ltd.* (洛陽富川礦業有限公司), a joint venture of the Company. Despite that its financial statements have yet to be consolidated into the consolidated financial statements of the Group, Fuchuan Mining is controlled by the Company in its daily operation and management through contract arrangements, therefore is deemed as a subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 Hong Kong Stock Exchange and are traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“Latest Practicable Date”	21 April 2023, 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” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LMG”	Luoyang Mining Group Co., Ltd. (洛陽礦業集團有限公司), a substantial shareholder of the Company. As at the Latest Practicable Date, LMG holds 24.68% of the equity interests of the Company

DEFINITIONS

“Nomination and Governance Committee”	nomination and governance committee under the Board
“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)
“Remuneration Committee”	remuneration committee under the Board
“Reporting Period”	for the year ended 31 December 2022
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the repurchase mandate to be approved at the AGM, the general mandate to authorise the Board to exercise its authority to repurchase H Shares of an aggregate number of not exceeding 10% of the number of H Shares in issue as at the date of passing of the said resolution
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC and its local representative offices
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and H Share(s)
“Share Issue Mandate”	subject to the conditions set out in the proposed resolution approving the share mandate to be approved at the AGM, the general mandate to authorise the Board to exercise its authority to issue additional A Shares not exceeding 20% of the number of the A Shares in issue and additional H Shares not exceeding 20% of the number of the H Shares in issue as at the date of passing of the said resolution
“Shareholder(s)”	holder(s) of Shares, including both A Shareholder(s) and H Shareholder(s)
“SSE”	the Shanghai Stock Exchange

DEFINITIONS

“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Revised in 2022)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Takeover Codes”	the Codes on Takeovers and Mergers and Share Buy-backs issued by Hong Kong Securities and Futures Commission (as amended from time to time)
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



洛阳铝业

洛陽樂川鋁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:

Sun Ruiwen
Li Chaochun (*Vice Chairman*)

Non-executive Directors:

YUAN Honglin (*Chairman*)
GUO Yimin (*Vice Chairman*)
CHENG Yunlei

Independent non-executive Directors:

WANG Gerry Yougui
YAN Ye
LI Shuhua

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

28 April 2023

To the Shareholders

Dear Sir/Madam,

**FINANCIAL REPORT AND BUDGET REPORT
PROPOSED DISTRIBUTION OF FINAL DIVIDEND
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LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with, among other things, notice of the AGM, as well as relevant details to make informed decisions on, among others, the below ordinary resolutions and special resolutions proposed for voting at the AGM:

- (i) Financial Report and Budget Report;
- (ii) proposed distribution of Final Dividend;
- (iii) proposed purchase of structured deposit with internal idle fund;
- (iv) proposed purchase of wealth management or entrusted wealth management products with internal idle fund;
- (v) proposed external guarantee arrangements for the year 2023 of the Company;
- (vi) proposed approval and authorization to the Board to decide on issuance of debt financing instruments;
- (vii) proposed purchase of liability insurance for directors, supervisors and senior management of the Company;
- (viii) proposed formulation, amendment and improvement of the internal control systems of the Company;
- (ix) proposed Share Issue Mandate;
- (x) proposed Repurchase Mandate;
- (xi) proposed provision of financial support to the invested subsidiaries;
- (xii) proposed addition of non-executive Directors of the sixth session of the Board of the Company; and
- (xiii) proposed addition of non-employee representative Supervisor of the sixth session of the Supervisory Committee of the Company.

LETTER FROM THE BOARD

2. FINANCIAL REPORT AND BUDGET REPORT

As stated in the overseas regulatory announcement of the Company dated 30 January 2023, the Company considered and approved the proposal in relation to the Budget Report at the ninth extraordinary meeting of the sixth session of the Board held on 30 January 2023, details of which are as follows:

Based on future economic and market dynamics, the Company sets the following budgeted production volume on major products of each business segment for the year of 2023:

1. copper and cobalt business: the production volume of TFM copper metal is 290,000 tonnes to 330,000 tonnes, and the production volume of TFM cobalt metal is 21,000 tonnes to 24,000 tonnes; the production volume of KFM copper metal is 70,000 tonnes to 90,000 tonnes, and the production volume of KFM cobalt metal is 24,000 tonnes to 30,000 tonnes.
2. molybdenum and tungsten business: the production volume of molybdenum metal is 12,000 tonnes to 15,000 tonnes, and the production volume of tungsten metal is 6,500 tonnes to 7,500 tonnes (excluding Luoyang Yulu Mining Co., Ltd.).
3. niobium and phosphates business: the production volume of niobium metal is 8,400 tonnes to 10,000 tonnes, and the production volume of phosphates fertilizer (high concentration fertilizer and low concentration fertilizer) is 1,050,000 tonnes to 1,250,000 tonnes.
4. copper and gold business (calculated based on 80% of equity interests): the production volume of NPM copper metal is 24,000 tonnes to 27,000 tonnes, and the production volume of gold is 25,000 ounces to 27,000 ounces.
5. mineral trading business: physical trade volume of 5,700,000 tonnes to 6,700,000 tonnes.

The Board also approved the Financial Report at the eighth meeting of the sixth session of the Board held on 17 March 2023, a copy of which is set out in Appendix I to this circular.

An ordinary resolution regarding the consideration and approval of the Budget Report and the Financial Report will be proposed at the AGM.

LETTER FROM THE BOARD

3. PROPOSED DISTRIBUTION OF FINAL DIVIDEND

As stated in the 2022 Annual Report of the Company and the overseas regulatory announcement of the Company dated 17 March 2023 in relation to, among other things, the recommendation of a payment of a final dividend for the year ended 31 December 2022, the Board proposed to distribute the Final Dividend of RMB0.8508 per 10 shares (tax inclusive) subject to the approval of the Shareholders at the AGM and an ordinary resolution will be proposed to the Shareholders for voting at the AGM. In the case where, from the date of disclosure of announcement on profit distribution plan to the date of registration date for dividend distribution, there are changes in the total share capital of the Company due to the conversion of convertible bonds into shares, repurchase of shares, cancellation of repurchased shares granted under equity incentive schemes, cancellation of repurchased shares due to material asset restructuring, etc., the Company proposes to remain the per share distribution proportion unchanged, and to adjust the total distribution amount accordingly.

The Company will make further announcement regarding the proposed distribution of Final Dividend to A Shareholders.

Tax

In accordance with the “Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法》) and the “Rules for the Implementation of Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法實施條例》), both implemented on 1 January 2008 and the “Notice on Issues in Relation to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Enterprises to Overseas Non-resident Enterprise Holders of H Shares” (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) promulgated on 6 November 2008, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise Shareholders at a tax rate of 10%, when the Company distributes annual dividend to non-resident enterprise Shareholders whose names appear on the H Shares Register of Members on the reference date. As such, any H Shares registered in the name of non-individual Shareholder, including shares registered in the name of HKSCC Nominees Limited, and other nominees, trustees, or other organizations and group, shall be deemed to be H Shares held by non-resident enterprise Shareholder(s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon. Non-resident enterprise Shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividends.

LETTER FROM THE BOARD

In accordance with the “Notice on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the PRC Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. Furthermore, the competent tax authority of the Company confirmed that the relevant requirements under the “Notice on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) is applicable to the Company, the Company will not be required to withhold and pay any individual income tax on behalf of individual Shareholders when the Company distributes the Final Dividend to individual Shareholders whose names appear on the H Shares Register of Members.

Pursuant to the “Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market” (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) promulgated on 17 November 2014:

- For mainland individual investors who invest in the H Shares via the Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax at the rate of 20% in the distribution of the Final Dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Corporation Limited for tax credit relating to the withholding tax already paid abroad. For mainland securities investment funds that invest in the H Shares via the Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax in the distribution of the Final Dividend pursuant to the foregoing provisions; and
- For mainland corporate investors that invest in the H Shares via the Shanghai-Hong Kong Stock Connect, the Company will not withhold the income tax in the distribution of the Final Dividend and the mainland corporate investors shall file the tax returns on their own.

H Shareholders are recommended to consult their tax advisors regarding the relevant tax laws and regulations in the PRC, Hong Kong and other countries on the dividend payment by the Company and on the taxation implications of holding and dealing in the H Shares.

An ordinary resolution regarding the consideration and approval of the proposed distribution of the Final Dividend will be proposed at the AGM.

LETTER FROM THE BOARD

4. PROPOSED PURCHASE OF STRUCTURED DEPOSIT WITH INTERNAL IDLE FUND

As stated in the overseas regulatory announcement of the Company dated 30 January 2023, the Company considered and approved the Proposal on the Purchase of Structured Deposit with Internal Idle Fund at the ninth extraordinary meeting of the sixth session of the Board held on 30 January 2023, details of which are as follows:

According to the Company's operation plan and the use of funds, on the premise of ensuring liquidity and safety of funds, the Company and its subsidiaries intend to use the internal idle fund to purchase structured deposit products from banks and their branches. It is expected that product yields of the structural deposit products purchased by the Company are higher than the bank deposit rates for the same period. The term for the structured deposit products of the proposed purchase is mainly set in short term and each separate product shall not exceed 12 months. The balance of such unmatured structured deposit products purchased by the Company shall not exceed RMB12 billion (or equivalent amount in foreign currency). The validity term shall be effective from the date of approval at the AGM to the date of convening the 2023 AGM, and the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) is authorized to consider and approve specific implementation plan or scheme within the aforementioned validity term and size of the structured deposit products. The plan of purchase of structured deposit does not constitute a connected transaction or a related party transaction nor a major asset restructuring.

- (1) The counterparties of the structured deposit products are banks and their branches, with whom the Company have no related party relationships.
- (2) The structured deposit products purchased by the Company are mainly short-term products, and each separate product shall not exceed 12 months. The balance cap of the unmatured structured deposit products shall not exceed RMB12 billion (or equivalent amount in foreign currency). The validity term shall be effective from the date of approval at the AGM to the date of convening the 2023 AGM, and the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) is authorized to exercise relevant right of decision-making within the above-mentioned validity term and size of the structured deposit products.
- (3) The structured deposit products to be purchased are free from guarantee of contract performance.

LETTER FROM THE BOARD

- (4) When the working capital of the Company appears to be short-term idleness, the usage of such funds for investment in short-term structured deposit will receive additional wealth management income and lower the financial expenses of the Company, which will not affect the needs of daily cash flow and ordinary operation of the principal business of the Company since the account capital of the Company is based on the premise of ensuring operating income and expense.
- (5) The Company will select the banks and their branches with large scale and high credibility for the structured deposit business and will perform normative management, stringently control risks, and regularly pay attention to relevant conditions of the structured deposit products funds. The Company will adopt corresponding measures in a timely manner to control investment risks once discovering risks may probably be incurred.

An ordinary resolution regarding the consideration and approval of the proposal on the purchase of structured deposit with internal idle fund will be proposed at the AGM.

As certain structured deposit to be purchased by the Group under such resolution will not be treated as cash and cash equivalent or bank balances in the consolidated balance sheet of the Group, the purchase of such kind of structured deposit will be deemed as a transaction under the Chapter 14 or Chapter 14A of the Hong Kong Listing Rules where applicable, and the Company will comply with relevant rules and requirements when purchasing such kind of structured deposit in accordance with such resolution.

5. PROPOSED PURCHASE OF WEALTH MANAGEMENT OR ENTRUSTED WEALTH MANAGEMENT PRODUCTS WITH INTERNAL IDLE FUND

As stated in the overseas regulatory announcement of the Company dated 30 January 2023, the Company considered and approved the Proposal on the Purchase of Wealth Management or Entrusted Wealth Management Products with Internal Idle Fund at the ninth extraordinary meeting of the sixth session of the Board held on 30 January 2023, details of which are as follows:

In order to improve the efficiency of internal idle fund and maximize the practical value of the fund, on the premise of ensuring the Company's daily operations, capital security, operational compliance, and control of risks, the Company uses the temporary internal idle fund to invest and purchase wealth management or entrusted wealth management products to maximize the benefits of capital management.

On the premise of ensuring the Company's daily operations, capital security, operation compliance and controllable risks, the Board has agreed that the Company uses internal idle fund to purchase, at appropriate opportunities and in stages, the wealth management or entrusted wealth management products with high security and liquidity (excluding structured deposits), and the balance of such unmaturing wealth management or entrusted wealth management investment purchased by the Company shall not exceed RMB10

LETTER FROM THE BOARD

billion (or equivalent amount in foreign currency); the funds within the above-mentioned cap may be used on a rolling basis, and the cap shall be valid from the date of approval at the AGM to the date of convening the 2023 AGM; and proposed to the AGM to authorize the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to exercise the relevant decision-making power within the scope of the above-mentioned term of use and cap. The details are as follows:

- (1) Size of Investment: the balance cap of the unmatured wealth management or entrusted wealth management investment shall not be more than RMB10 billion (or equivalent amount in foreign currency).
- (2) Investment Targets: financial instruments with high credit rating and good liquidity, including but not limited to, national debt traded in inter-bank bond market, central bank bill, financial debts, bank subordinate debts, repurchase of bonds and enterprise bonds, corporate bonds, short-term financing notes and medium-term notes with investment level or above; interbank deposits of banks, placements in monetary market, various financial products secured by banks and non-bank financial institutions and other legal financial assets trust plan as well as wealth management or entrusted wealth management products (excluding structured deposit products), and public funds products, etc.
- (3) Validity Term: from the date of approval at the AGM to the date of convening the 2023 AGM.

The Company's use of its internal fund for wealth management and entrusted wealth management business will be carried out on the premise of ensuring the daily operation and capital security of the Company, without affecting the normal turnover of the Company's daily funds or the normal development of the Company's main business. Through the modest capital-guaranteed wealth management, it will improve the capital usage efficiency of the Company, increase capital gains, and obtain more return on investment for the Shareholders.

An ordinary resolution regarding the consideration and approval of the proposal on the purchase of wealth management or entrusted wealth management products with internal idle fund will be proposed at the AGM.

As the purchase of wealth management or entrusted wealth management products with internal idle fund will be deemed as a transaction under the Chapter 14 and Chapter 14A of the Hong Kong Listing Rules, where applicable, the Company will comply with relevant rules and requirements under the Chapter 14 and Chapter 14A of the Hong Kong Listing Rules when purchasing wealth management or entrusted wealth management products in accordance with such resolution.

LETTER FROM THE BOARD

6. PROPOSED EXTERNAL GUARANTEE ARRANGEMENTS FOR THE YEAR 2023 OF THE COMPANY

As stated in the overseas regulatory announcement of the Company dated 30 January 2023, the Company considered and approved the Proposal on the External Guarantee Arrangements for the Year 2023 of the Company at the ninth extraordinary meeting of the sixth session of the Board held on 30 January 2023, the details of which are as follows:

(I) Guarantee Arrangement for Wholly-owned Subsidiaries and Controlled Subsidiaries

The Company proposed to provide, directly or through its wholly-owned subsidiaries (including direct or indirect wholly-owned subsidiaries, the same thereafter) or controlled subsidiaries (including direct or indirect controlled subsidiaries, the same thereafter), a line of guarantee amount up to an accumulated maximum amount of RMB90 billion (or equivalent amount in foreign currency) to other wholly-owned subsidiaries and controlled subsidiaries, among which the guarantee amount of RMB45 billion will be provided to guaranteed targets with gearing ratio of over 70% and the guarantee amount of RMB45 billion will be provided to guaranteed targets with gearing ratio of below 70%. The signed guarantees mainly include but not limited to, the guarantees provided by the Company, directly or through wholly-owned or controlled subsidiaries, for other wholly-owned subsidiaries or controlled subsidiaries in cases such as loans applied from domestic and foreign financial institutions, bond issuance, bank's acceptance bills, electronic commercial bills, letters of guarantee, bills, letters of credit, mortgaged and pledged loans, bank funds business, letters of guarantee for environmental issues, letters of guarantee for bidding issues, letter of guarantee for performance, letter of guarantee for prepayment, letter of guarantee for quality, the derivatives trading cap, overdraft cap and other forms of liabilities, among others. The guarantee amounts of the aforesaid wholly-owned or controlled subsidiaries with a gearing ratio of over or below 70% shall not be transferred for utilization within the aforesaid limits.

(II) Provision of Supply Chain Financing Guarantee Arrangement by IXM (An Indirect Wholly-Owned Subsidiary of the Company) to Suppliers

IXM Holding S.A., a wholly-owned subsidiary of the Company, and its wholly-owned or controlled subsidiaries and member units (hereinafter referred to as "IXM") constitute a well-known non-ferrous metals trading company in the global industry, of which the main trading targets include copper, lead, zinc concentrates and refined metals such as copper, aluminum and zinc, as well as a small amount of precious metal concentrates and by-products such as cobalt, and especially deeply participated in the transaction of concentrate and refined metals. During the transaction of concentrate and refined metal, there are circumstances where IXM provides guarantees for the bank financing applied by its suppliers of concentrate

LETTER FROM THE BOARD

and refined metal (usually mining companies and smelters) after performing the necessary decision-making and evaluation procedures, which is a common commercial arrangement in metal trading among the industry. In order to facilitate the continuous and steady development of such business of IXM, IXM intended to provide such guarantees to its suppliers within a balance cap of US\$130 million (or equivalent amount in foreign currency).

(III) Arrangement on Provision of Guarantee to a Joint Venture

In order to ensure the use of capital for continuous operation by Luoyang Fuchuan Mining Co., Ltd. (hereinafter referred to as the “**Fuchuan Company**”), a joint venture of the Company, the Company intended to provide financing guarantee of not more than RMB1 billion to Fuchuan Company (on the basis of actual guarantee amount in implementation). The validity term for such cap will expire on the date of convening the 2023 AGM. Fuchuan Mining has provided counter guarantee for the aforesaid guarantee of the Company with its mining rights of Shangfanggou molybdenum mine (Certificate No.: C1000002011073120115610).

(IV) Details of the Authorization

The Company intended to propose to the AGM to authorise the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to determine and deal with matters relating to the above guarantee within the above-mentioned cap. Details of the authorization are as follows:

- (1) Such cap on guarantee authorisation may be effective from the date of approval at the AGM to the date of convening the 2023 AGM;
- (2) to determine and implement, or authorise relevant individuals to determine or implement detailed plans for the aforesaid guarantees based on specific conditions, including, among others, guarantee target, guarantee content, guarantee amount, guarantee period and guarantee method;
- (3) to perform the approval procedures (if any) relating to the above-mentioned guarantees and to promptly disclose information in accordance with the requirements of the relevant regulatory authorities such as the stock exchanges;
- (4) to deal with all other matters in connection with the above-mentioned guarantees.

A special resolution regarding the consideration and approval of the proposed external guarantee for the year 2023 of the Company will be proposed at the AGM.

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7. PROPOSED APPROVAL AND AUTHORIZATION TO THE BOARD TO DECIDE ON ISSUANCE OF DEBT FINANCING INSTRUMENTS

As stated in the overseas regulatory announcement of the Company dated 30 January 2023, the Company considered and approved the Proposal in relation to the Grant of Authorization to the Board to Decide on Issuance of Debt Financing Instruments at the ninth extraordinary meeting of the sixth session of the Board held on 30 January 2023, details of which are as follows:

To satisfy the production and operation needs of the Company as well as the infrastructure and operation needs of domestic or overseas projects, replenish working capital, reduce capital cost and make use of favorable opportunities in a timely manner, it is proposed to the AGM to grant a general and unconditional mandate to the Board and then delegate to the Chairman of the Board and his authorized person(s) to determine the following specific issue matters within the scope of available debt financing instruments in accordance with relevant laws and regulation, the Articles of Association and the actual conditions:

(I) Major Terms of the Issue of Debt Financing Instruments

1. **Type of the Debt Financing Instruments:** The relevant debt financing instruments include but not limited to short-term financing bonds, super-short term financing bonds, medium term notes, non-public targeted debt financing instruments, corporate bonds, company bonds, A Share or H Share convertible bonds, offshore RMB bonds and foreign currency bonds, perpetual bonds, renewable bonds and other domestic and offshore debt financing instruments denominated in RMB or foreign currency permitted by competent regulatory authority.
2. **Size of Issue:** The issue size of the domestic and offshore debt financing instruments of this mandate shall not be more than RMB20 billion or equivalent amount in foreign currency (calculated based on the outstanding payable balance after the issue, while for the issue denominated in a foreign currency, calculated based on median discount price published by the People's Bank of China on the date of such issue), which can be issued either one-off or in tranches within the definite validity period.
3. **Currency of Issuance:** The currency of issuance shall be determined based on the review and approval results of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of the issuance, which may be RMB or foreign currency debt financing instruments.

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4. **Term and Interest Rate:** The maximum term shall be no more than 30 years, which is applicable to a single-term type or a combination of types with multiple terms. The specific composition of terms, size of issue and interest rate of each type with different terms shall be determined based on the relevant requirements and the market conditions by the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)).
5. **Issuer:** The issuer shall be the Company or a domestic or offshore wholly-owned subsidiary or a special purpose vehicle of the Company, and in the case of a domestic or offshore wholly-owned subsidiary or a special purpose company of the Company as the issuer of the debt financing instruments, the Company can provide guarantees (including the guarantee provided to the issuer of the debt financing instrument itself and/or such guarantee provided by the Company) to such subsidiaries or special purpose company within the issue size of its debt financing instruments, issue a keepwell agreement or adopt third party credit enhancement conventional methods.
6. **Use of Proceeds:** The proceeds to be raised from the proposed issuance of the debt financing instruments are intended to be used towards meeting the demand of the Company's daily operations, financing domestic and overseas infrastructure projects, repaying loans, replenishing its working capital and/or other investment acquisition purposes, and the specific use of proceeds shall be determined by the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) according to the capital needs of the Company from time to time.
7. **Method of Issue:** Method of issuance shall be determined based on the review and results of issuance approval of debt financing instruments and the domestic and overseas bond market conditions at the time of the issuance of debt financing instruments.
8. If A Share or H Share convertible bonds are to be issued, the principal of each single issuance shall not exceed RMB10 billion (or equivalent amount in foreign currency), and upon the request of share conversion applied by holders of convertible bonds, the new A Shares or H Shares generated thereof may be issued under the relevant general mandate considered and approved at the AGM.
9. The debt financing instruments to be issued are proposed to be listed on the Inter-bank Bond Market, the SSE, the Hong Kong Stock Exchange or other domestic or foreign exchanges.

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(II) Matters in Relation to the Mandate of Issue of Debt Financing Instruments

It is proposed to the AGM to grant a general and unconditional mandate to the Board to decide and deal with all matters relating to the issue of the debt financing instruments at full discretion on the premise of complying the requirement of relevant laws and regulations in accordance with the demands of the Company from time to time and the market conditions, including but not limited to:

- (a) determining and implementing the specific proposal of the issue of debt financing instruments, including but not limited to the establishment and determination of the appropriate issuer, the type of the debt financing instruments to be issued, the method of issue, currency, the nominal value of the debt financing instruments, price of issue, the size of issue, interest rate of issue or its determination mechanism, the markets for issue, the timing of issue, the term of issue, issue in installments and number of tranches (if applicable), sale back clause and redemption clause (if applicable), rating, guarantees (if applicable), repayment period, conversion price, use of proceeds, placing, underwriting and all matters in respect of the issue of debt financing instruments.
- (b) carrying out all necessary and ancillary actions and procedures in relation to the issue of debt financing instruments, including but not limited to, select and engage intermediary institutions, handle all approval, registration and filing procedures with the relevant regulatory authorities in connection with the issuance on behalf of the Company, execute all necessary documents for the issuance, select trustee(s) for the issue of debt financing instruments, formulate rules for meetings of the holders of the bonds, deal with any related disclosure in accordance with the applicable laws and regulations and requirements from regulatory authorities, and deal with any other matters in connection with the bond issuance and trading.
- (c) subject to the authorization at the AGM, if there are changes in the regulatory policies or market conditions, correspondingly revising the specific proposals and terms of the proposal for the issue of debt financing instruments in due course in accordance with the view of regulatory authorities or in the event that there are changes in the market conditions, except for matters that require approval at the general meeting of the Company in respect of relevant laws, regulations and the Articles of Association.
- (d) deciding and dealing with all relevant matters in connection with the proposed listing of debt financing instruments to be issued on the Inter-bank Bond Market, the SSE, the Hong Kong Stock Exchange or other domestic or foreign exchanges according to the market conditions.

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- (e) The Board may, within the above scope of authorisation, authorise the Chairman and his authorized person(s) to decide matters relating to the issue of debt financing instruments.

(III) Term of the Issue of Debt Financing Instrument

The mandate of the issue of the debt financing instruments shall be effective from the date of approval at the AGM to the date of convening the 2023 AGM.

If the Board has resolved to issue the debt financing instruments within the validity term of the mandate and the Company has also obtained the approval, permission or registration (if applicable) for the issuance from the competent regulatory authorities within the validity term of the mandate, the Board may complete the issue of such debt financing instruments within the validity term of such approval, permission or registration.

A special resolution regarding the consideration and approval of the proposal in relation to the approval and authorization to the Board to decide on issuance of debt financing instruments will be proposed at the AGM.

8. PROPOSED PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

As mentioned in the overseas regulatory announcement of the Company dated 30 January 2023, the Company considered and approved the Proposal on Purchase of Liability Insurance for Directors, Supervisors and Senior Management of the Company at the ninth extraordinary meeting of the sixth session of the Board held on 30 January 2023, details of which are as follows:

The Company considered and approved the Proposal on Purchase of Liability Insurance for Directors, Supervisors and Senior Management of the Company at the 2021 annual general meeting, which authorized the Chairman or his authorized person(s) to handle the relevant annual insurance matters within the indemnity cap of single annual insurance not exceeding USD100 million/year and the annual aggregate premium not exceeding USD1,000,000/year.

In view of the market conditions, in order to further improve the Company's risk management system, promote the Company's Directors, Supervisors and senior management to fully perform their duties and protect the interests of investors, the Company intends to increase the relevant annual liability insurance cap, through which the indemnity cap of single annual insurance will be increased to an amount not exceeding USD150 million/year and the annual aggregate premium will be increased to an amount not exceeding USD1,500,000/year. The Board proposed to the AGM to authorize the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to handle the relevant annual insurance matters in accordance with the actual

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development of the business of the Company, including but not limited to the determination of the annual indemnity limit and the amount of insurance, duration of insurance and insurance coverage scope, selection of insurance institutions, signing relevant legal documents and handling other matters related to insurance within the scope of authorization.

The Proposed Purchase of Liability Insurance for Directors, Supervisors and Senior Management of the Company previously considered and approved at the 2021 annual general meeting will automatically lapse from the date of considering and passing of this resolution at the AGM.

Subject to the requirements of the Company Law, the Articles of Association and the SSE Listing Rules, an ordinary resolution regarding the consideration and approval of the proposed purchase of liability insurance for Directors, Supervisors and senior management of the Company will be proposed at the AGM.

9. PROPOSED FORMULATION, AMENDMENT AND IMPROVEMENT OF THE INTERNAL CONTROL SYSTEMS OF THE COMPANY

As stated in the overseas regulatory announcement of the Company dated 23 October 2022, the Company considered and approved the Proposal in relation to the Formulation, Amendment and Improvement of the Internal Control Systems of the Company at the seventh meeting of the sixth session of the Board held on 23 October 2022, details of which are as follows:

The Company formulated the Shareholding Management Measures for Shareholders and Directors, Supervisors and Senior Management of CMOC, revised and improved the Working System for the Secretary of the Board of Directors of CMOC, the Working Rules for Independent Directors of CMOC, the Working Rules for the Nomination and Governance Committee of CMOC, the Terms of Reference and Working Rules for the Remuneration Committee of CMOC, the Working Rules for the Investment Committee of CMOC, the Working Rules for the President of CMOC, the Information Disclosure System of CMOC, the Subsidiary Management System of CMOC, the Management System for Third Party Guarantee of CMOC, the External Investment Management System of CMOC, the Fund Raising Management System of CMOC, the Administrative Measures on Preventing the Appropriation of Funds by Controlling Shareholders, De Facto Controllers and Other Related Parties of CMOC, the Inside Information and Insider Registration System of CMOC and so on, and concurrently amended and consolidated the Investor Relations Management System of CMOC and the Related Party Transactions Management System of CMOC based on its actual management needs in accordance with the Securities Law of the People's Republic of China (Revised in 2019) (《中華人民共和國證券法(2019年修訂)》), the SSE Listing Rules and the Guidelines of the Shanghai Stock Exchange for Self-governance of Listed Companies (amended in January 2022) (《上海證券交易所上市公司自律監管指引(2022年1月修訂)》) and other relevant regulations, in order to implement the special governance work of CSRC and the

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requirements of the newly amended relevant system regulations and business rules (the former Investor Relations Management System, Decision-making System for Connected Transactions and the Rules for Related Transaction Management System will be simultaneously revoked upon the approval of the foregoing systems by the Board).

Among them, the Working Rules for Independent Directors of CMOC, the Management System for Third Party Guarantee of CMOC, the Related Party Transactions Management System of CMOC, the External Investment Management System of CMOC and the Fund Raising Management System of CMOC were submitted to the AGM for consideration. Details of the Working Rules for Independent Directors of CMOC are set out in Appendix III to this circular, details of the Management System for Third Party Guarantee of CMOC are set out in Appendix IV to this circular, details of the Related Party Transactions Management System of CMOC are set out in Appendix V to this circular, details of the External Investment Management System of CMOC are set out in Appendix VI to this circular and details of the Fund Raising Management System of CMOC are set out in Appendix VII to this circular.

An ordinary resolution will be proposed at the AGM by the Company to consider and approve the formulation, amendment and improvement of the internal control systems of the Company.

10. PROPOSED GENERAL MANDATE FOR ISSUE OF SHARES

As stated in the overseas regulatory announcement of the Company dated 30 January 2023, the Company considered and approved the Proposal in relation to the General Mandate to the Board for Issue of Additional A Shares and/or H Shares at the ninth extraordinary meeting of the sixth session of the Board held on 30 January 2023.

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In view of the Company's development needs, the Board proposed a special resolution to grant to the Board the Share Issue Mandate to issue, allot and deal with additional A Shares and H Shares or securities convertible into such Shares, options, warrants, global depositary receipts or any similar rights which can subscribe for A Shares and/or H Shares (the "**Similar Rights**") not exceeding 20% of the number of each class of such Shares in issue on the date of passing of the relevant resolution, details of which are as follows:

1. To grant a general and unconditional mandate to the Board and then to delegate to the Chairman of the Board and his authorized person(s) by the Board or the Similar Rights to determine separately or jointly allot, issue and deal with A Shares and/or H Shares (the issue of A Shares shall still be subject to the approval of Shareholders at the general meeting of the Company in accordance with the relevant regulations of the PRC) and the terms and conditions for the allotment, issuance and dealing of new Shares or Similar Rights, including but not limited to:
 - (a) class and number of new Shares to be issued;
 - (b) price determination method of new Shares and/or issue price (including price range);
 - (c) the starting and closing dates for the issue;
 - (d) class and number of the new Shares to be issued to existing Shareholders; and/or
 - (e) the making or granting of offers, agreements, options, convertible rights or other relevant rights which might require the exercise of such powers.
2. The numbers of A Shares or H Shares (excluding Shares issued in form of capital conversion from capital reserve) to be separately or jointly allotted, issued and dealt with (whether pursuant to an option or otherwise) pursuant to the Share Issue Mandate, shall not exceed 20% of A Shares or H Shares in issue at the time when this resolution is passed at the AGM, respectively, by the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)).
3. If the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) have resolved to allot, issue and deal with A Shares and/or H Shares or the Similar Rights within the Relevant Period as defined below, and the Company has also obtained the relevant approval, permission or registration (if applicable) from the competent regulatory authorities within the validity term of the Share Issue Mandate, the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) may complete the relevant allotment, issuance and dealing works within the validity term of such approval, permission or registration.

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4. To grant the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to obtain approvals from all the relevant government authorities and/or regulatory authorities (if applicable) in accordance with applicable laws (including but not limited to the Company Law, the Hong Kong Listing Rules and the SSE Listing Rules).
5. The Share Issue Mandate will become effective from the date of passing of the resolution proposed for approval of the Share Issue Mandate at the AGM until the earlier of (the “**Relevant Period**”):
 - (a) the expiration of 12 months from the date of passing of the resolution proposed for approval of the Share Issue Mandate at the AGM;
 - (b) the conclusion of 2023 AGM; and
 - (c) the revocation or amendment of the Share Issue Mandate granted under this resolution by the approval of special resolution at a general meeting by Shareholders.
6. To grant the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to approve, execute and make or procure to execute and make any documents, deeds and matters, complete necessary formalities, adopt other necessary actions in connection with the allotment, issuance and dealing of any new Shares from exercising the general mandate stated above.
7. To grant the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to increase the registered capital of the Company and to make appropriate and necessary amendments to the Articles of Association after completion of the allotment and issuance of new Shares according to the method, type and number of the allotment and issuance of new Shares by the Company, and the then shareholding structure of the Company.

As at the Latest Practicable Date, the Company had an aggregate of 21,599,240,583 Shares in issue, comprising 3,933,468,000 H Shares and 17,665,772,583 A Shares. Subject to the passing of the proposed resolution in relation to the general mandate for issue of Shares, the Company will be allowed to issue, allot and deal with up to a maximum of 4,319,848,116 Shares (comprising 786,693,600 H Shares and 3,533,154,516 A Shares), representing 20% of the Shares in issue on the date of the passing of such resolution, on the basis that no further Shares will be issued by the Company prior to the AGM.

The Board will only exercise its authority under the Share Issue Mandate in accordance with the Company Law, other applicable laws and regulations (as amended from time to time) and the relevant provisions of the securities regulatory institutions at the place of

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listing of the Shares and only with the necessary approvals from the CSRC and other relevant PRC government departments. The Directors hereby state that as at the Latest Practicable Date, they have no intention to issue any new Shares pursuant to the Share Issue Mandate.

The Board believes that it is in the best interests of the Company and the Shareholders to grant the Share Issue Mandate to the Board to issue new Shares. Whilst it is not possible to anticipate in advance any specific circumstances in which the Board might think appropriate to issue Shares, the ability to do so would give them the flexibility to capture the opportunity if it so arises.

A special resolution regarding the consideration and approval of the general mandate for issue of Shares will be proposed at the AGM.

11. PROPOSED GENERAL MANDATE FOR REPURCHASE OF H SHARES

As stated in the overseas regulatory announcement of the Company dated 30 January 2023, the Company considered and approved the proposal in relation to the proposed general mandate to the Board for repurchase of H Shares at the ninth extraordinary meeting of the sixth session of the Board held on 30 January 2023.

In view of the development requirements of the Company and in order to give the Company the flexibility to repurchase H Shares if and when appropriate, the Board proposed a special resolution at the AGM to grant the Repurchase Mandate to the Board to repurchase H Shares of an aggregate number not exceeding 10% of the number of H Shares in issue as at the date of the passing of the resolution proposed for approval of the Repurchase Mandate.

The Company Law (which the Company is subject to) provides that a joint stock limited company incorporated in the PRC shall not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered share capital; (b) merging with another entity holding its shares; (c) using shares for employee stock ownership plan or equity incentives; (d) purchasing the shares from dissent shareholders who opposes to a resolution of the shareholders' meeting on the combination or division of the company; (e) using shares for converting convertible corporate bonds issued by a listed company; or (f) protecting the corporate value and the rights and interests of shareholders by a listed company. The Articles of Association provide that subject to the approval of relevant regulatory authorities and in compliance with the Articles of Association, the Company shall repurchase its Shares for the above-mentioned purposes. H Shares repurchased under this general mandate can only be cancelled and the registered capital of the Company shall be reduced accordingly.

The Hong Kong Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase H Shares of such company that are listed on the Hong Kong Stock Exchange.

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Such mandate is required to be given by way of special resolution passed by Shareholders at the AGM.

As H Shares are traded on the Hong Kong Stock Exchange in Hong Kong dollars and the price payable by the Company upon any repurchase of H Shares will, therefore, be paid in Hong Kong dollars, the approvals of SAFE and other relevant competent authorities are also required.

In accordance with the requirement of Article 27 of the Articles of Association applicable to registered capital reduction, the Company shall notify its creditors within 10 days after the passing of such resolution by the Board and shall publish an announcement in a newspaper within 30 days after the passing of such resolution by the Board. Creditors then have the right within 30 days of receiving the notice from the Company or, if no such notice has been received, within 45 days after the publication of the press announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

The Repurchase Mandate will be conditional upon: (a) the special resolution approving the grant of the Repurchase Mandate being approved at each of the AGM; (b) the approval of the regulatory authorities (if applicable) as required by the laws, rules and regulations of the PRC being obtained; and (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under Article 27 of the Articles of Association as described above. In the event that the Company determines to repay any amount to its creditors in the circumstances described in item (c) above, the Company is expected to repurchase Shares with its internal resources. No Repurchase Mandate shall be exercised by the Board without satisfying conditions set out above. The Directors hereby state that as at the Latest Practicable Date, they have no intention to repurchase any H Shares pursuant to the Repurchase Mandate.

Details of the special resolution to be proposed at the AGM to grant the Repurchase Mandate to the Board are set out in the special resolution No. 17 of the notice of AGM. The number of H Shares which may be repurchased under the Repurchase Mandate shall not exceed 10% of the number of H Shares in issue as at the date of the passing of the proposed resolutions approving the Repurchase Mandate.

Pursuant to the Hong Kong Listing Rules, the Company shall give an explanatory statement to Shareholders, which contains information reasonably necessary to enable Shareholders to make an informed decision on voting for or against the granting of Repurchase Mandate. The explanatory statement is set out in Appendix VIII to this circular.

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12. PROPOSED PROVISION OF FINANCIAL SUPPORT TO THE INVESTED SUBSIDIARIES

As stated in the announcement of the Company dated 28 April 2023, at the ninth meeting of the sixth session of the Board held on 28 April 2023, the Proposal on the Provision of Financial Support to the Invested Subsidiaries was considered and approved by the Company. Details are as follows:

In order to meet the operating plans and capital requirements of the invested companies of the Company, HONG KONG CBC INVESTMENT LIMITED (“**CBC INVESTMENT**”) and Ningbo Bangya Trading Co., Ltd. (寧波邦亞貿易有限公司) (“**Ningbo Bangya**”), the Company intends to provide financial support to the aforesaid two invested subsidiaries in an aggregate amount not exceeding RMB820 million (based on the balance of borrowings not exceeding RMB820 million or its equivalent amount in foreign currencies) on a pro rata basis in the equity interests it owns. Details are as follows:

(I) Basic Information on the Loan Provided

The indirect controlling shareholder of CBC INVESTMENT and Ningbo Bangya is Ningbo Brunp Contemporary Amperex Co., Ltd. (“**Brunp CATL**”), which is a controlled subsidiary of Contemporary Amperex Technology Co., Limited (“**CATL**”). As CATL indirectly holds 24.68% Shares of the Company, CATL and its controlled subsidiaries constitute related parties of the Company according to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (as amended in 2022), therefore, the borrowings provided by the indirectly controlled subsidiaries of the Company to the invested subsidiaries, CBC INVESTMENT and Ningbo Bangya, on a pro rata basis in the equity interests it owns constitute financial support for the related parties, which are subject to the approval of the general meeting of the Company.

(II) Basic Information on the Borrower and Their Respective Shareholders

1. *HONG KONG CBC INVESTMENT LIMITED*

Date of Establishment: 15 November 2021

Place of Incorporation: Hong Kong

Business Scope: Trading and investment

Registered Capital: US\$10,000

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Shareholding Structure: The Company and Brunp CATL indirectly hold 34% and 66% of its shares, respectively.

Financial information for the last year and the latest period:

Unit: US\$

Item	As of 31 December 2022	As of 31 March 2023
Total assets	1,832,246.22	1,750,033.31
Total liabilities	3,002,800.00	3,001,400.00
Net assets	-1,170,553.78	-1,251,366.69
Gearing ratio	163.89%	171.51%

Item	2022	January to March 2023
Operating revenue	9,360.00	–
Net profit	-1,179,353.78	-80,812.91

2. *Ningbo Bangya Trading Co., Ltd.*

Date of Establishment: 1 March 2023

Place of Incorporation: Ningbo

Legal Representative: Xu Shouwei

Business Scope: General items: machinery and equipment sales; electronic specialized equipment sales; engineering management services; technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; technology import and export; goods import and export; general machinery and equipment installation services; external contracting project (except for items that require approval in accordance with the law, business activities are carried out independently with business licenses in accordance with the law).

Registered Capital: RMB20,000,000

Shareholding Structure: The Company and Brunp CATL indirectly hold 34% and 66% of its shares, respectively.

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Financial information for the last year and the latest period:

Unit: RMB

Item	As of 31 December 2022	As of 31 March 2023
Total assets	–	13,200,000.75
Total liabilities	–	44,000.75
Net assets	–	13,156,000.00
Gearing ratio	–	0.33%

Item	2022	January to March 2023
Operating revenue	–	–
Net profit	–	-44,000.00

3. *CATL, a related shareholder*

Date of Establishment: 16 December 2011

Place of Incorporation: Ningde, Fujian

Legal Representative: Zeng Yuqun

Business Scope: development, production, sale and after-sale services of lithium-ion batteries, lithium polymer batteries, fuel cells, power batteries, ultra-large-capacity energy storage batteries, super capacitors, battery management systems and rechargeable battery packs, wind photovoltaic energy storage systems, related equipment and instruments; investment in new energy industry; technical services, testing services and consulting services for lithium batteries and related products (for items that require approval in accordance with the law, business activities can be carried out upon approval by the relevant departments).

Registered Capital: RMB2,440,471,007

Shareholding Structure: Zeng Yuqun and Li Ping are the de facto controllers, collectively holding 27.92% shares of CATL.

Financial information for the last year and the latest period:

Unit: RMB'0,000

Item	As of 31 December 2022	As of 31 March 2023
Total assets	60,095,235.19	64,020,357.75
Total liabilities	42,404,318.99	43,148,313.50
Net assets		
attributable to parent company	16,448,125.16	18,790,695.94
Gearing ratio	70.56%	67.40%

Item	2022	January to March 2023
Operating revenue	32,859,398.75	8,903,846.53
Net profit		
attributable to parent company	3,072,916.35	982,226.51

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(III) Execution of the Agreement Regarding the Borrowings

As of present, there is no agreement signed for the borrowings.

(IV) Risk Analysis and Risk Control Measures for the Borrowings

CBC INVESTMENT and Ningbo Bangya are the invested companies of the Company, and the borrowings are proportionally provided by respective shareholders on equal basis, thus the risk is relatively manageable. The Company will closely monitor the future operation and capital trends of the aforesaid invested companies, and strengthen the tracking and management of repayment.

(V) Purpose and Effect of the Related Transaction

CBC INVESTMENT and Ningbo Bangya are the invested companies of the Company, which are the implementing entities of the strategic cooperation between the Company and CATL regarding the investment and development in new energy metal resources. The borrowings provided by the shareholders of the aforesaid two invested companies will be mainly used to replenish their working capital and promote their normal investment and operation, which can exert a sound synergy with the production and operation of the Company to improve the profitability of the Company.

(VI) Authorization

It is proposed to the AGM to authorize the management of the Company to determine and adjust the specific arrangements for the borrowings and to execute the relevant legal documents within the above-mentioned limit, with the authorization valid from the date of consideration and approval at the AGM to the date of the 2023 AGM.

Listing Rules Implications

Under Chapter 14A of the Hong Kong Listing Rules, as CATL indirectly holds 24.68% of the Shares of the Company, CATL constitutes a connected person of the Company under the Hong Kong Listing Rules. Pursuant to Rule 14A.27 of the Hong Kong Listing Rules, as the shareholders of CBC INVESTMENT and Ningbo Bangya include the Company and CATL, and CATL indirectly controls more than 10% equity interests in CBC INVESTMENT and Ningbo Bangya, both of CBC INVESTMENT and Ningbo Bangya constitute entities which are jointly held by the Company and CATL. Pursuant to Rule 14A.89 of the Hong Kong Listing Rules, in respect of the transaction which the Company provides loans to CBC INVESTMENT and Ningbo Bangya, the financial support is granted a full waiver under the Hong Kong Listing Rules given that the financial support is intended to be conducted on normal commercial terms or better terms and the financial support provided by the Company is in conformity with the shareholding of direct equity interests held by the Company or subsidiaries in those companies.

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In addition, as CATL indirectly holds 24.68% of the Shares of the Company, according to the SSE Listing Rules, CATL and its controlled subsidiaries constitute related parties of the Company under the SSE Listing Rules, and therefore the transaction which the Company provides borrowings to CBC INVESTMENT and Ningbo Bangya constitutes related party transaction under the SSE Listing Rules, which is subject to the approval of the general meeting of the Company pursuant to the SSE Listing Rules.

A special resolution regarding the consideration and approval of the provision of financial support to the invested subsidiaries will be proposed at the AGM by the Company.

13. PROPOSED ADDITION OF NON-EXECUTIVE DIRECTORS OF THE SIXTH SESSION OF THE BOARD OF THE COMPANY

As stated in the announcement of the Company dated 28 April 2023, pursuant to the requirements of the SSE Listing Rules, the Articles of Association and other relevant laws and regulations and systems, the Company intended to additionally elect two non-executive Directors, which has been considered and approved at the ninth meeting of the sixth session of the Board held on 28 April 2023, thereby to improve the corporate governance structure and ensure the specific operation of the Board.

Upon review and nomination by the Nomination and Governance Committee, the Company intends to add Mr. Jiang Li and Mr. Lin Jiuxin as the non-executive Directors of the sixth session of the Board of the Company for a term of office commencing from the date of approval at the AGM until the date of expiration of the sixth session of the Board.

Biographical details of Mr. Jiang is set out as follows:

Mr. Jiang Li, born in 1979, Chinese nationality with no right of permanent residency abroad, holds a master's degree from Peking University. From 2004 to 2007, he served as a business manager of the investment banking department of China Galaxy Securities Co., Ltd. From 2008 to 2015, he successively held the positions of deputy director, director and executive director in the investment banking department of UBS Securities Co., Limited. From 2015 to 2017, he acted as the director of the board office of China Development Bank Securities Co., Ltd. From June 2017 to present, he has been the deputy general manager and secretary to the board of CATL, and now he is also serving the director of Tianjin Binhai Industry Fund Management Co., Ltd. (天津市濱海產業基金管理有限公司), Ningpu Times Battery Technology Co., Ltd. (寧普時代電池科技有限公司) and Livit Life Insurance Company Limited (小康人壽保險有限責任公司).

LETTER FROM THE BOARD

Biographical details of Mr. Lin is set out as follows:

Mr. Lin Jiuxin, born in 1968, Chinese nationality with no right of permanent residency abroad, holds a master's degree. From August 2001 to January 2016, Mr. Lin served as the vice district chief of Haicang District Government of Xiamen City. From January 2016 to February 2017, he held the positions of the member of the Standing Committee of the District Committee and the executive vice district chief of the District Government of Xiang'an District of Xiamen City. Since March 2017, Mr. Lin has been working for CATL and now is also the deputy director of the Safety Production Committee and a member of the Resources Committee of CATL, and the chairman of the board of Yichun Shidai New Energy Resources Co., Ltd. (宜春時代新能源資源有限公司).

Mr. Jiang and Mr. Lin will enter into a letter of appointment with the Company, respectively. The term of office will commence from the date of approval by the Shareholders at the AGM and until the date of expiration of the sixth session of the Board. They are eligible for re-election upon expiry of their terms. The Board, as authorized by the Shareholders, will determine the remuneration of Mr. Jiang and Mr. Lin according to their duties and responsibilities, the external industries' salary level and the actual situation of the Company. Their remuneration will be covered by their service contracts to be entered into and any subsequent revision approved by the Board.

Save as disclosed above, Mr. Jiang and Mr. Lin have not held any other directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years and (i) are not related to any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company; (ii) are not interested in any Shares of the Company within the meaning of Part XV of the SFO; or (iii) did not hold any other positions with the Company or other members of the Group.

Besides, the Board is not aware of any other matters in relation to the addition of Mr. Jiang and Mr. Lin that need to be brought to the attention of the Shareholders nor any information that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules.

Special resolutions regarding the proposed addition of Mr. Jiang and Mr. Lin as the non-executive Directors of the sixth session of the Board will be proposed at the AGM separately by the Company.

LETTER FROM THE BOARD

14. PROPOSED ADDITION OF NON-EMPLOYEE REPRESENTATIVE SUPERVISOR OF THE SIXTH SESSION OF THE SUPERVISORY COMMITTEE OF THE COMPANY

As stated in the announcement of the Company dated 28 April 2023, pursuant to the requirements of the SSE Listing Rules, the Articles of Association and other relevant laws and regulations and systems, the Company intended to add a non-employee representative Supervisor, which has been considered and approved at the ninth meeting of the sixth session of the Board held on 28 April 2023, thereby to improve the corporate governance structure and ensure the specific operation of the Supervisory Committee.

Upon review and nomination by the Nomination and Governance Committee, the Company intends to add Mr. Zheng Shu as the candidate for the non-employee representative Supervisor of the sixth session of the Supervisory Committee of the Company for a term of office commencing from the date of approval at the AGM until the date of expiration of the sixth session of the Supervisory Committee.

Biographical details of Mr. Zheng is set out as follows:

Mr. Zheng Shu, born in 1979, Chinese nationality with no right of permanent residency abroad, holds a dual bachelor's degree in accounting and computer science and technology from Fuzhou University, and is an accountant. From 2002 to 2006, he served as the deputy manager of the finance department of Fujian Branch of China Tietong Telecommunications Corporation. From 2006 to 2009, he held the positions of the overseas regional budget manager of Huawei Technologies Co., Ltd. and the person in charge of finance of a subsidiary. From 2009 to 2013, he acted as the general manager of the finance department of Oneding Silicon Steel Group Co., Ltd. From 2013 to 2016, he was the chief financial officer of ChangYou.com (搜狐暢遊) (NASDAQ stock code: CYOU). From April 2016 to June 2017, he was the person in charge of the finance department of CATL. From June 2017 to present, he has been the chief financial officer of CATL and now is also the director of Jinjiang Mintou Power Energy Storage Technology Co., Ltd. (晉江閩投電力儲能科技有限公司), Beijing Pride New Material Company Limited (北京普萊德新材料有限公司) and Shanghai Energiex New Energy Technology Company Limited (上海捷能智電新能源科技有限公司).

Mr. Zheng will enter into a service contract with the Company. The term of office will commence from the date of approval by the Shareholders at the AGM and until the date of expiration of the sixth session of the Supervisory Committee. He is eligible for re-election upon expiry of his term. The Board, as authorized by the Shareholders, will determine Mr. Zheng's remuneration according to his duties and responsibilities, the external industries' salary level and the actual situation of the Company. Mr. Zheng's remuneration will be covered by his service contract to be entered into and any subsequent revision approved by the Board.

LETTER FROM THE BOARD

Save as disclosed above, Mr. Zheng has not held any other directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years and (i) is not related to any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company; (ii) is not interested in any Shares of the Company within the meaning of Part XV of the SFO; or (iii) did not hold any other position with the Company or other members of the Group.

Besides, the Board is not aware of any other matters in relation to the addition of Mr. Zheng that need to be brought to the attention of the Shareholders nor any information that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules.

A special resolution regarding the proposed addition of Mr. Zheng as the non-employee representative Supervisor of the sixth session of the Supervisory Committee will be proposed at the AGM by the Company.

15. AGM

The Board proposed to seek the Shareholders' approval at the AGM to approve, among others: (i) the Financial Report and Budget Report; (ii) the proposed distribution of Final Dividend; (iii) the proposed purchase of structured deposit with internal idle fund; (iv) the proposed purchase of wealth management or entrusted wealth management products with internal idle fund; (v) the proposed external guarantee arrangements for the year 2023 of the Company; (vi) the proposed approval and authorization to the Board to decide on issuance of debt financing instruments; (vii) the proposed purchase of liability insurance for Directors, Supervisors and senior management of the Company; (viii) the proposed formulation, amendment and improvement of the internal control systems of the Company; (ix) the proposed Share Issue Mandate; (x) the proposed Repurchase Mandate; (xi) the proposed provision of financial support to the invested subsidiaries; (xii) the proposed addition of non-executive Directors of the sixth session of the Board of the Company; and (xiii) the proposed addition of non-employee representative Supervisor of the sixth session of the Supervisory Committee of the Company.

Notice convening the AGM to be held at Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC at 1:00 p.m. on Friday, 9 June 2023 is set out on pages AGM-1 to AGM-7 of this circular. A form of proxy for the AGM is enclosed herewith.

According to the requirements under the "Rules of Shareholders' Meeting of Listed Companies" of the CSRC, independent Directors shall issue a work report at the annual general meeting. Such report will be submitted to the shareholders' general meeting for consideration but not for shareholders' approval. The 2022 Work Report of Independent Directors is set out in Appendix II to this circular for Shareholders' information.

LETTER FROM THE BOARD

16. PROXY ARRANGEMENT

A form of proxy for use at the AGM is 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 AGM in person, you are requested to complete, sign and return the form of proxy in accordance with the instructions printed thereon. The form of proxy 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 1:00 p.m. on Thursday, 8 June 2023 (or if the AGM is adjourned, such time shall be not less than 24 hours before the time designated for holding the meeting). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournments thereof should you so wish.

17. CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of H Shareholders who will be entitled to attend and vote at the AGM, the H Shares register of members of the Company will be closed from Tuesday, 6 June 2023 to Friday, 9 June 2023 (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 at 4:30 p.m. on Monday, 5 June 2023 shall be entitled to attend and vote at the AGM. In order for the H Shareholders to qualify for attending and voting at the AGM, 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 Monday, 5 June 2023.

18. VOTING AT THE AGM

Pursuant to Rule 13.39 of the Listing Rules, any votes of the Shareholders at the AGM 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 AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the knowledge of Directors, no Shareholder shall abstain from voting for the resolutions to be proposed at the AGM.

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.

LETTER FROM THE BOARD

19. RECOMMENDATIONS

The Directors are of the view that, (i) the Financial Report and Budget Report; (ii) the proposed distribution of Final Dividend; (iii) the proposed purchase of structured deposit with internal idle fund; (iv) the proposed purchase of wealth management or entrusted wealth management products with internal idle fund; (v) the proposed external guarantee arrangements for the year 2023 of the Company; (vi) the proposed approval and authorization to the Board to decide on issuance of debt financing instruments; (vii) the proposed purchase of liability insurance for Directors, Supervisors and senior management of the Company; (viii) the proposed formulation, amendment and improvement of the internal control systems of the Company; (ix) the proposed Share Issue Mandate; (x) the proposed Repurchase Mandate; (xi) the proposed provision of financial support to the invested subsidiaries; (xii) the proposed addition of non-executive Directors of the sixth session of the Board of the Company; and (xiii) the proposed addition of non-employee representative Supervisor of the sixth session of the Supervisory Committee of the Company.

20. OTHER INFORMATION

Your attention is drawn to other sections of and appendices to this circular.

Yours faithfully
By order of the Board
CMOC Group Limited*
Yuan Honglin
Chairman

* *For identification purposes only*

I. MAJOR FINANCIAL INFORMATION AND FINANCIAL INDICATORS

Unit: RMB'000

Major accounting information	2022	2021	Increase or decrease as compared with the same period of last year (%)
Operating revenue	172,990,857	173,862,586	-0.50
Net profit attributable to shareholders of listed company	6,066,947	5,106,017	18.82
Net profit after deduction of non-recurring profits or losses attributable to shareholders of listed company	6,066,908	4,103,233	47.86
Net cash flow from operating activities	15,453,761	6,190,648	149.63
	As at the end of 2022	As at the end of 2021	Increase or decrease as compared with the same period of last year (%)
Net assets attributable to the shareholders of listed company	51,698,562	39,845,287	29.75
Total assets	165,019,220	137,449,773	20.06

Major financial indicators	2022	2021	Increase or decrease as compared with the same period of last year (%)
Basic earnings per share (“EPS”) (RMB per share)	0.28	0.24	16.67
Basic EPS after deduction of non-recurring profits or losses (RMB per share)	0.28	0.19	47.37
Diluted EPS (RMB per share)	0.28	0.24	16.67
Diluted EPS after deduction of non-recurring profits or losses (RMB per share)	0.28	0.19	47.37
Weighted average return on net assets(%)	13.41	12.93	Increased by 0.48 percentage point
Weighted average return on net assets after deduction of non-recurring profits or losses(%)	13.41	10.39	Increased by 3.02 percentage points

II. COMPLETION OF MAJOR ESTIMATED INDICATORS

1. Mineral Exploration and Processing

(1) Copper and cobalt sector

During the year 2022, TFM Copper and Cobalt Mine achieved a production volume of 254,286 tonnes of copper metal, representing an increase of 7,478 tonnes or 3.03% as compared with 246,808 tonnes of the estimated volume.

It achieved a production volume of 20,286 tonnes of cobalt metal, representing an increase of 1,780 tonnes or 9.62% as compared with 18,506 tonnes of the estimated volume.

(2) Molybdenum and tungsten sector

During the year 2022, the Company achieved a production volume of molybdenum metal of 15,114 tonnes in China, representing an increase of 1,646 tonnes or 12.22% as compared with 13,468 tonnes of the estimated volume.

The Company achieved a production volume of tungsten metal of 7,509 tonnes (excluding Luoyang Yulu Mining Co., Ltd.), representing an increase of 859 tonnes or 12.92% as compared with 6,650 tonnes of the estimated volume.

(3) *Niobium and phosphate sector*

During the year 2022, production of phosphate fertilizers in Brazil (high concentration fertilizer and low concentration fertilizer) reached 1.14 million tonnes, representing an increase of 10,000 tonnes or 0.89% as compared with 1.13 million tonnes of the estimated volume.

The Company achieved a production volume of niobium metal of 9,212 tonnes, representing an increase of 2 tonnes or 0.02% as compared with 9,210 tonnes of the estimated volume.

(4) *Copper and gold sector*

During the year 2022, where calculated based on 80% of equity interests, NPM copper and gold mine achieved a production volume of copper metal of 22,706 tonnes, representing a decrease of 1,403 tonnes or 5.82% as compared with 24,109 tonnes of the estimated volume.

The Company achieved a production volume of 16,221 ounces of gold, which reduced by 2,066 ounces or 11.30% as compared with 18,287 ounces of the estimated volume.

2. Mineral Trading

In 2022, IXM achieved a physical trading volume (sales volume) of concentrates at 3.12 million tonnes and of concentrate metal at 3.14 million tonnes.

Please refer to the 2022 Annual Report of the Company for details.

CMOC Group Limited*

17 March 2023

* For identification purposes only.

CMOC Group Limited*
2022 WORK REPORT OF INDEPENDENT DIRECTORS

As the independent Directors of CMOC Group Limited* (hereinafter referred to as the “**Company**”), we have leveraged on our professional expertise and honestly, diligently, responsibly and independently performed the duties of independent Directors in strict compliance with the Company Law, the Securities Law, the Governance Code for Listed Companies, the Guidelines on the Establishment of Independent Directorship of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and other relevant laws, regulations, regulatory documents, and the stipulations and requirements of the Articles of Association, the Working Rules for Independent Directors and relevant rules. We have actively attended the relevant meetings, issued our independent opinions in an objective and fair manner on significant matters of the Company, played an important role as the independent Directors and safeguarded the legal interest of the Company and Shareholders and, in particular, the minority Shareholders. The performance description for the year 2022 is set out as follows:

I. BASIC INFORMATION

(i) Personal working experience, professional background and part-time situation

1. Mr. Wang Gerry Yougui (王友貴), born in May 1962, Hong Kong resident, Canadian citizen. Mr. Wang received his Bachelor’s degree in Navigation from Shanghai Maritime University in 1983 and was awarded his Master’s degree in International Economics and Management from the program sponsored by the United Nations Economic and Social Commission in 1986. In 1993, he obtained his Master of Science degree in Business Administration from the University of British Columbia (Vancouver) in Canada. Mr. Wang was the Company Secretary & Business Development Deputy Manager at China Merchants Group from 1986 to 1989. He joined Seaspan Canada in 1990 and founded its containership business. In 2005, Mr. Wang successfully took Seaspan’s containership business public, trading on the New York Stock Exchange as SSW. Mr. Wang worked as the Chief Executive Officer and Co-chairman for 12 years, making it the largest company of containership business in the world. Mr. Wang retired from Seaspan at the end of 2017 to turn his focus on developing new business ventures in Asia. Late on Mr. Wang founded the Tiger Gas Group (Tiger Clean Energy). Mr. Wang was named 2016 the Most Influential Person of Shipping in the world. Mr. Wang is serving as a consultant of Hong Kong and China region of the University of Pennsylvania in Asia, and is also as an expert in shipping economy for BLOOMBERG TV & CNBC.
2. Ms. Yan Ye (嚴冶), born in May 1958, holds a degree of Master of Laws and is a registered lawyer. Ms. Yan graduated from the faculty of law in Peking University in 1982 with a bachelor’s degree in law specialising in politics and law. She received a master’s degree in civil law from the faculty of law of

Renmin University of China in 1984. She served as a lecturer and associate professor of the school of law of the Party School of the Central Committee of C.P.C. from 1984 to 1994. She served as a lawyer in Shaanxi Xiehui Law Firm from 1994 to 2003 and served as a lawyer in Shaanxi Win Law Firm from 2003 to 2008 and has served as a lawyer and a partner in Shaanxi Yanfeng Law Firm since 2008. She concurrently serves as an independent director of Beijing Shenogen Pharma Group Ltd. (北京盛諾基醫藥科技股份有限公司).

3. Mr. Li Shuhua (李樹華), born in 1971, obtained a bachelor's degree in management majoring in auditing from Southwest University in 1993, a master's degree in economics majoring in accounting from Xiamen University in 1996, and a doctor's degree in management majoring in accounting from Shanghai University of Finance and Economics in 1999. During 2002 and 2004, he pursued his postdoctoral research in Finance and Law in Peking University, and obtained a Finance Executive Master of Business Administration (EMBA)'s degree from Shanghai Advanced Institute of Finance during 2013 and 2015. He served consecutively as director-level clerk of general office division, deputy division director of auditing division, deputy division director of general office division, division director of financial budgeting management division and division director of general office division of accounting department in CSRC during 1999 and 2010. During 2010 and 2018, he had worked for China Galaxy Securities Co., Ltd. and acted as Chief Risk Officer/Chief Compliance Officer and member of the Executive Committee. He currently serves as a professor and supervisor of postgraduates at Xiamen National Accounting Institute, Peking University, Shanghai Advanced Institute of Finance of Shanghai Jiaotong University and a professor of Tsinghua University PE Program. He is currently the chairman of Changzhou Guangyang Bearing Co., Ltd. (常州光洋軸承股份有限公司), an independent director of Hangzhou Hikvision Digital Technology Co., Ltd. (杭州海康威視數字技術股份有限公司), an independent director of Shengyi Technology Co., Ltd. (廣東生益科技股份有限公司), an independent director of Xi'an Shaangu Power Co., Ltd. (西安陝股動力有限公司), the chairman of the supervisory committee of Shenzhen Capital Fortune Investment Co., Ltd. (深圳市遠致富海投資管理有限公司), the executive partner of the merger and acquisition fund of Shenzhen Oriental Fortune Capital Investment Management Co., Ltd. (深圳市東方富海投資管理股份有限公司) and the chairman of Weihai Shiyi Electronics Co., Ltd. (威海世一電子有限公司).

(ii) Statement on whether the independence is affected

We are qualified as the independent Directors. As the independent Directors of the Company, none of us holds any duties other than that of the independent Directors, or holds any duties in substantial Shareholders' units of the Company. There is no relationship between us and the Company and its substantial Shareholders that may have impact on our independent and objective judgments.

II. OVERVIEW OF THE PERFORMANCE OF DUTIES FOR THE YEAR

Since our appointment as independent Directors of the Company, we performed our duties as independent Directors and safeguarded the interests of the Company and Shareholders, especially minority Shareholders, with the principle of being independent and objective and with diligent and responsible attitude.

(I) Attendance at meetings during the Reporting Period

	Attendance in Person/Required Attendance						
	Remuneration		Audit and	Nomination	and Strategic and	General	Other
	Board	Committee	Risk	Governance	Sustainability	Meetings	meetings
			Committee	Committee	Committee		
Mr. Wang Gerry							
Yougui	10/10	4/4	N/A	3/3	2/2	1/1	3/3
Ms. Yan Ye	10/10	N/A	5/5	3/3	N/A	1/1	3/3
Mr. Li Shuhua	10/10	4/4	5/5	3/3	N/A	1/1	3/3

Note: Other meetings include specialized meetings of independent Directors, specialized meetings of independent Directors, Chairman and non-executive Directors, communication meetings of the Audit and Risk Committee and the auditors attended by the independent Directors.

Since we have been appointed as the independent Directors of the Company, the Board meetings and general meetings of the Company have been convened in compliance with statutory requirements, and all significant matters have passed relevant approval procedures. As for the matters to be submitted to the Board and Board committees for consideration, we made adequate preparation prior to meetings, and earnestly read relevant documents, actively acquired relevant information, listened to proposal presentation in details, and expressed relevant independent opinions and review opinions. After meetings, we ensured strict implementation through effective supervision over execution.

Prior to the date of this report, we also attended the specialized meeting of independent Directors, the specialized meeting of Chairman and non-executive Directors and the communication meeting of the Audit and Risk Committee and the auditors, and conducted adequate exchange and communication in respect of corporate governance, strategies, internal control, audit, etc., respectively.

We are of the view that the Board meetings convened by the Company for the year 2022 were in compliance with legal procedures, all major matters of operational decisions and other material matters were performed in accordance with relevant procedures and were legitimate and valid, and all resolutions did not impair the rights and interests of Shareholders, in particular, minority Shareholders. We voted in favor of all relevant resolutions considered by the Board, and raised no objection against other matters of the Company.

(II) Expression of independent opinions

We have earnestly reviewed the proposals submitted to the Board and each specialized committee prior to the meetings, and honestly, diligently and independently performed the duties as independent Directors, in accordance with the provisions and requirements under the Articles of Association and the Rules of Procedure for the Board of Directors. We have actively attended relevant meetings and expressed independent opinions on significant matters of the Company, thereby safeguarding the legal interest of the Company and Shareholders and, in particular, the minority Shareholders. The detailed independent opinions expressed by us are set out as follows:

No.	Date	Issues involved in independent opinions	Opinion type
1	14 January 2022	<ol style="list-style-type: none"> <li data-bbox="608 778 1193 932">1. Matters in respect of the daily connected transactions for the year 2021 and the expected daily connected transactions for the year 2022; <li data-bbox="608 932 1193 1051">2. Matters in respect of the re-appointment of external auditor by the Company for the year 2022; <li data-bbox="608 1051 1193 1129">3. Matters in respect of the purchase of structured deposits with internal idle fund; <li data-bbox="608 1129 1193 1283">4. Matters in respect of the purchase of wealth management or entrusted wealth management products with internal idle fund; <li data-bbox="608 1283 1193 1361">5. Matters relating to guarantees provided to the wholly-owned subsidiaries; <li data-bbox="608 1361 1193 1515">6. Matters in respect of the provision of supply chain financing guarantee by IXM (an indirect wholly-owned subsidiary of the Company) to suppliers; <li data-bbox="608 1515 1193 1668">7. Matters in respect of the provision of financing guarantee by the Company to its joint venture within an amount of RMB1 billion; <li data-bbox="608 1668 1193 1806">8. Matters in respect of the commodity derivatives business of the Company for the year 2022. 	Agree

No.	Date	Issues involved in independent opinions	Opinion type
2	18 March 2022	1. Matters in respect of 2021 Profit Distribution Plan of the Company;	Agree
		2. Matters relating to evaluation report on internal control of the Company for the year 2021;	
		3. Matters relating to the remuneration plan for the year 2021;	
		4. Matters relating to the adjustment on basic remuneration of certain Directors;	
		5. Matters relating to change of English name of the Company and amendments to the Articles of Association;	
		6. Special explanation on external guarantee by the Company.	
3	24 May 2022	1. Matters relating to the repurchase of A Shares of the Company by centralized bidding (Phase III).	Agree
4	10 June 2022	1. Matters relating to the contents adjustment of the 2021 First Phase of Employee Share Ownership Plan of the Company and amendments to the relevant documents;	Agree
		2. Matters relating to the accomplishment of the performance appraisal indicators during the first tranche of interest allocation period of the 2021 First Phase of Employee Share Ownership Plan.	
5	9 August 2022	1. Matters relating to the appointment of senior management of the Company and determining basic remuneration.	Agree
6	8 October 2022	1. Matters relating to the appointment of Board secretary of the Company.	Agree

(III) On-site inspection and listed company's cooperation in the work with independent Directors

The Company has provided us with the necessary conditions to perform our duties according to the regulatory requirements of mainland China and Hong Kong where the Company is listed.

1. The office of the Board of the Company regularly provided us with reports on the Company's operation and training materials of laws and regulations;
2. When we visited the Company and attended the meetings, the Company could provide relevant materials and information in a timely manner and reported its operating performance, thus protecting rights of independent Directors to know;
3. Prior to giving our independent opinions, the Company was able to provide the intermediaries' professional opinions on related matters as well as special instructions and other materials issued by the responsible department of the Company, thus providing the supporting basis for our independent opinions;
4. The Company delivered to us the information of general meetings, Board meetings and meetings of specialized committees in a timely manner for our review and inspection;
5. The Company promptly notified us on significant events and material information via telephone, emails, WeChat and other various manners, which helped us to keep abreast of the Company's condition and provided us with important reference for decision-making.

III. KEY CONCERNS ON THE PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS FOR THE YEAR**(I) Connected transactions**

We are of the view that the connected transactions in which the Company is involved fall within the scope of normal business and are necessary for future production and operation, which will subsist. The transactions are fair and legitimate without prejudice to the interests of the listed company and Shareholders.

The Company is independent from the connected parties in terms of business, personnel, finance, assets, organisations, etc. and the daily connected transactions would have no impact on the independence of the Company.

According to relevant laws and regulations, including the Governance Code of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Articles of Association, we earnestly reviewed connected transactions in the daily production and operation activities and expressed the following opinions on daily connected transactions of the Company for the year 2022 and the expected daily operation connected transactions for the year 2023:

1. Daily connected transactions of the Company for the year 2022 were in compliance with relevant provisions and requirements of relevant laws and regulations and the Articles of Association, and decision-making procedures were legitimate and valid;
2. We are of the view that the connected transactions in which the Company is involved fall within the scope of normal business and are necessary for future production and operation, which will subsist. The transactions are fair and legitimate without prejudice to the interests of the listed company and Shareholders.

The Company is independent from the connected parties in terms of business, personnel, finance, assets, organisations, etc. and the daily connected transactions would have no impact on the independence of the Company;

3. We agreed to the expected matters in relation to the daily operation of connected transactions of the Company for the year 2023.

(II) External guarantee and funds occupation

1. External Guarantee of the Company

Unit: thousand yuan Currency: RMB

External guarantee of the Company (excluding the guarantees for subsidiaries)														
Guarantor	Relationship of the guarantor with the listed company		Guaranteed amount	Date of guarantee signing agreement	Date of guarantee		Type of guarantee	Collateral (if any)	Whether or not the guarantee is fully performed	Whether or not the guarantee is overdue	Overdue amount of guarantee	With counter guarantee or not	Whether or not the guarantee is provided to the related parties	Related parties relationships
	Guaranteed party	Guaranteed amount			Date of signing agreement	Commencement date of guarantee								
The Company	Headquarters of the Company	Fuchuan Mining	400,000.00	3 December 2021	7 December 2021	18 June 2023	Joint liability	Certificate of deposit	No	No	0	Yes	Yes	Others
The Company	Headquarters of the Company	Fuchuan Mining	200,000.00	4 December 2022	7 December 2022	29 November 2026	Joint liability	Nil	No	No	0	Yes	Yes	Others
The Company	Headquarters of the Company	Fuchuan Mining	200,000.00	2 December 2022	2 December 2022	1 December 2027	Joint liability	Nil	No	No	0	Yes	Yes	Others
The Company	Headquarters of the Company	Huayue Nickel Cobalt	1,640,859.76	30 September 2021	30 September 2021	21 March 2032	Joint liability	Equity Pledge	No	No	0	No	No	Others
Total guarantee incurred during the Reporting Period (excluding those provided to subsidiaries)														400,000.00
Total balance of guarantee as at the end of the Reporting Period (A) (excluding those provided to subsidiaries)														2,420,859.76
Guarantees of subsidiaries from the Company and its subsidiaries														
Total guaranteed amount for subsidiaries during the Reporting Period														34,308,055.44
Total balance of the guaranteed amount for subsidiaries at the end of the Reporting Period (B)														26,405,449.81
Total guarantee of the Company (including the guarantees for subsidiaries)														
Total guaranteed amount (A+B)														28,826,309.57
Percentage of the total guaranteed amount to net assets of the Company (%)														55.76
Among which:														
Guaranteed amount provided to the Shareholders, the de facto controller and its connected parties (C)														800,000.00
Guaranteed amount directly or indirectly provided on liabilities to guaranteed targets with gearing ratio of over 70% (D)														13,182,939.27
Excess amount of guarantee with total amount exceeding 50% of net assets (E)														2,977,028.54
Total of the above three guaranteed amounts (C+D+E)														16,159,967.80
Explanation on the possible joint repayment liability under the unexpired guarantee														Nil
Description on guarantee														C represents that the Company provides guarantee to a subsidiary of its joint venture Fuchuan Mining; D represents that the Company or its subsidiaries provides guarantee to enterprises with a gearing ratio of over 70%; The guarantee provided by the Company to Fuchuan Mining satisfies both C and D, for which the aggregate guarantee amount will calculate only once.

2. *Fund Occupancy of the Company*

We have conducted earnest study and review on the fund occupancy by connected parties of the Company for the year of 2022 as well as the accumulated and current external guarantee of the Company in accordance with the Guidelines for the Supervision of Listed Companies No. 8 – Regulatory Requirements for Capital Transactions and External Guarantees of Listed Companies (January 2022), and confirmed that there was no occupancy of fund by controlling Shareholders and their connected parties of the Company in 2022.

(III) Nomination and remuneration of the senior management

In 2022, according to the work needs, the Nomination and Governance Committee of the Company nominated the vice president, chief financial officer, Board secretary and other senior management of the Company. Based on the review on the biographical details of the aforementioned candidates, we made further inquiries with the relevant individuals on the relevant issues, and prudently reviewed and expressed independent opinion in writing on the qualifications of duties and nomination procedures of the aforementioned personnel. Meanwhile, we reviewed and expressed independent opinion on the nomination procedures of the aforementioned senior management.

In 2022, the Remuneration Committee organized and implemented the performance review for the year 2022 as required by the Board. We expressed independent opinion on matters in respect of the remuneration of the Directors, Supervisors and the senior management, and believed that the remuneration received by the above personnel for the year 2022 was implemented in strict compliance with the remuneration plan approved at the Board meeting of the Company.

(IV) Preliminary results announcement and results updates

On 28 January 2022, the Company published the Preliminary Results Increase Announcement of CMOC for the Year 2021, the disclosure of which complies with the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

(V) Appointment or change of accounting firm

In 2022, the Company appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP as its external auditor, and the Company did not change its accounting firm.

(VI) Cash dividends and other returns to investors

On 10 June 2022, the 2021 profit distribution plan was considered and approved at the 2021 annual general meeting of the Company. The particulars of the profit distribution were as follows: the Company distributed a total cash dividend of RMB1,524,344,600.04 (RMB0.7125 per 10 shares (tax inclusive)) based on 21,394,310,176 shares (the total share capital of 21,599,240,583 shares minus 204,930,407 shares in the Company's dedicated repurchase account) of the Company. The distribution of cash dividend had been completed during the Reporting Period.

We are of the view that the above-mentioned matter of the Company complied with the provisions of the Company Law, the Articles of Association and the relevant laws and regulations.

(VII) Performance of undertakings of the Company, the Directors, Supervisors and the senior management and its Shareholders

During the year of 2022, the Company, the Directors, Supervisors and the senior management of the Company, the controlling Shareholder, substantial Shareholders and the related parties of the Company strictly performed their undertakings made during the Reporting Period and the previous periods.

(VIII) Execution of information disclosures

During the year of 2022, we continued to pay attention to information disclosure of the Company, strictly supervised the Company to fulfill the obligation of information disclosure in accordance with relevant laws and regulations and the system of the Company. Relevant information disclosure personnel of the Company were able to perform information disclosure work according to the requirements of laws and regulations, thereby enabling investors to be aware of the recent development of the Company more rapidly through these announcements and protecting the interests of investors.

(IX) Execution of internal control

The Company attaches great importance to the construction and implementation of the internal control and regulatory system, appoints external professional organisations to assist in the comprehensive commencement of the construction of the internal control of the Company, authorises the president, in accordance with laws and regulations and provisions of the Articles of Association, to optimize and revise the internal control document of the Company based on the evaluation results and the actual operation. We have carefully verified the internal control system of the Company, and reviewed the 2022 Evaluation Report on Internal Control issued by the Company. We considered that: the Company had basically established a

relatively comprehensive internal control system, which could be effectively executed. The 2022 Evaluation Report on Internal Control objectively and truly reflected the establishment and operation of the internal control system of the Company.

(X) Matters regarding the review of Company's compliance with the corporate governance responsibilities

After reviewing, we are of the view that all Directors have actively attended relevant meetings and participated in the Company's affairs, and have allocated sufficient time to perform their duties; all Directors received and read the relevant materials including updates of laws and regulations provided by the office of the Board of the Company. During the year 2022, the Directors, Supervisors and senior management of the Company attended various trainings organised by the Shanghai Stock Exchange, China Securities Regulatory Committee, Henan Branch, China Association for Public Companies, Association of Listed Companies in Henan and the Company. The Company encouraged all Directors and senior management to participate in continuous professional development in order to develop and update their knowledge and skills, so as to ensure their continuous contributions to the Board with comprehensive and required information; the corporate governance policies and practice of the Company are relatively completed, and the detailed policies and practice are set out in the section of Corporate Governance of Annual Report. During the year 2022, the Directors and employees of the Company have all complied with the requirements in the Corporate Governance Code and internal system. The Company has complied with the Corporate Governance Code, the Listing Rules and all of the laws and regulations applicable to the Company, and the Company did not receive any report on the deviation of the Corporate Governance Code, the Listing Rules and all of the applicable laws and regulatory requirements. Relevant information on the compliance with the Corporate Governance Code has been fully disclosed in the section of Corporate Governance of Annual Report; the Company has strictly executed Shareholders Communication Policy, encouraging Shareholders to actively develop a close relationship with the Company, thereby improving effective communications with Shareholders and other stakeholders and facilitating Shareholders to effectively exercise their rights as Shareholders. During the Reporting Period, the Company has reviewed the effectiveness of internal control system, including the sufficiency of resources, qualifications and experience of the Company's employees from accounting and financial reporting department and their training courses and budgets. During the review period, we did not discover any material problems, and we are satisfied with the results of the review of all of the above matters.

(XI) Operation of the Board and its specialized committees

During the year 2022, the Board of the Company functioned in an orderly manner in accordance with relevant provisions and requirements of the Articles of Association and the Rules for Board Meeting. The specialized committees of the Board faithfully performed their duties in an earnest, responsible, diligent and honest manner and functioned in an orderly manner in accordance with their respective duties and terms of references.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

During the term of office in 2022, as independent Directors of the Company, we were able to be in compliance with relevant provisions of laws, regulations and the Articles of Association, actively attended the Board meetings of the Company, earnestly considered all relevant matters considered by the Board, made use of our professional knowledge and experience to provide independent, objective and reasonable opinions and recommendations on the production, operation and relevant matters of the Company, performed the function of independence of independent Directors, and earnestly safeguarded the legal interest of all Shareholders especially of the minority Shareholders. Our independent performance of duties was not influenced by the substantial Shareholders, the de facto controller and other companies or individuals that are interested parties of the Company. We would hereby express our heartfelt gratitude to the full cooperation and substantial support extended by all Shareholders, the Board, the Supervisory Committee and the management when the independent Directors were performing their duties.

In 2023, we will perform our duties with independence, objectiveness and fairness by adhering to the principles of being earnest, responsible, prudent and diligent, making use of our professional knowledge and experience to provide opinions and recommendations for the development of the Company, and providing reference opinions for the decision-making of the Board to firmly safeguard the legal interests of the Company and all of our investors, especially of the minority Shareholders and continuously enhance the scientific decision-making ability and leadership of the Board to promote the sustainable and sound development of the Company. May CMOC have a brighter future!

Independent Directors of the sixth session of the Board of CMOC:

Wang Gerry Yougui, Yan Ye, Li Shuhua

17 March 2023

If there is any inconsistency between the Chinese text and the English text in respect of this appendix, the Chinese text shall prevail.

WORKING RULES FOR INDEPENDENT DIRECTORS

Chapter 1 General Provisions

Article 1 In order to further improve the governance structure of CMOC Group Limited (hereinafter referred to as the “**Company**”) and enhance its standardized operation, the Company has formulated the Rules in accordance with the Rules of Independent Directors of Listed Companies issued by China Securities Regulatory Commission (hereinafter referred to as the “**CSRC**”), the Guidance for Corporate Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”) and other relevant regulations as well as the Articles of Association of CMOC Group Limited (hereinafter referred to as the “**Articles of Association**”).

Article 2 Independent director refers to a director holding no position other than the directorship in the Company and having no relationship with the Company and its substantial shareholders which may hinder his/her independent and objective judgment.

Article 3 Independent directors have the obligation to act in good faith and due diligence towards the Company and all of its shareholders.

Independent directors shall perform their duties conscientiously in accordance with the requirements of relevant laws, regulations, regulatory documents and Articles of the Association to protect the Company’s interests, especially the legal interests of minority shareholders from damage.

Independent directors shall perform their duties independently without being affected by the Company’s substantial shareholders, de facto controllers or other entities or individuals who are interested in the Company.

Independent directors shall not concurrently hold the position of independent directors in more than five listed companies, and shall ensure that they have sufficient time and energy to effectively perform their duties as independent directors.

There shall be at least three independent directors and the number of independent directors should represent at least one third of all Board members of the Company. Independent directors should possess appropriate professional qualifications or accounting or related financial management expertise. In addition, at least one of the independent directors should be a Hong Kong resident.

Article 4 Independent directors shall attend the Board meetings as scheduled, understand the Company's production and operation, and actively investigate and obtain the conditions and information necessary for decision-making.

Independent directors shall submit their annual work reports at the general meeting of the Company and make a statement on the performance of their duties.

Article 5 Independent directors shall spend not less than 15 working days in his work for the Company each year and ensure that they have sufficient time and energy to effectively perform their duties as independent directors.

Chapter 2 Qualifications

Article 6 Independent directors shall satisfy the following conditions:

(1) being qualified for directors of listed companies in accordance with laws, administrative regulations, the Listing Place Regulations and other relevant provisions;

(2) possessing the independence as required by the Rules of Independent Directors of Listed Companies issued by the CSRC;

(3) having the basic knowledge about the operations of listed companies and being familiar with relevant laws, administrative regulations, rules and regulations;

(4) having more than five years of work experiences in legal, economic areas or other experiences necessary for performing the duties as independent directors;

(5) other requirements as provided in laws and regulations as well as the Articles of Association.

Article 7 Independent directors must possess independence. The following persons shall not serve as independent directors:

(1) the employees of the Company or its affiliate enterprises, and their immediate family members and major social connections (the former refers to spouses, parents and children, etc., and the latter refers to brothers and sisters, parents-in-law, spouses of children, spouses of brothers and sisters, and brothers and sisters of spouses, etc.);

(2) the natural person shareholders directly or indirectly holding more than 1% of the issued shares of the Company or any of the top ten shareholders of the Company and their immediate family members;

(3) persons who hold positions in the shareholder directly or indirectly holding more than 5% of the issued shares of the Company or any of the top five shareholders of the Company and their immediate family members;

(4) persons falling within the circumstances as set out in paragraphs (1), (2) and (3) in the recent one year;

(5) persons providing financial, legal and consulting services to the Company or its affiliate enterprises;

(6) other persons provided in laws, administrative regulations, departmental rules and the Articles of Association;

(7) other persons recognized by the CSRC.

In addition, in case of the following reasons affecting his/her independence, the independent director shall notify the Company in a timely manner before his/her appointment:

1. Such independent director receives any interests in the securities of the Company as a gift or by means of other financial assistance from a core connected person or the Company itself;

2. Such independent director is or was a director, partner or principal of a professional adviser which currently provides or has within two years immediately prior to the date of his/her appointment provided services, or is or was an employee of such professional adviser who is or has been involved in providing such services during the same period, to the following companies/persons: (a) the Company, its holding company or any of their respective subsidiaries or core connected persons; or (b) any person who was a controlling shareholder or any person who was the chief executive or a director (other than an independent non-executive director), of the Company within two years immediately prior to the date of his/her proposed appointment, or any of their close associates;

3. Such independent director has or had a material interest in any principal business activities of or is or was involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core connected persons of the Company, within one year immediately prior to the date of his/her proposed appointment;

4. Such independent director is on the Board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;

5. Such independent director is or was connected with a director, the chief executive or a substantial shareholder of the Company within two years immediately prior to the date of his/her proposed appointment;

6. Such independent director is (or has at any time during the two years immediately prior to his/her proposed appointment been) an executive or a director (other than an independent non-executive director) of the Company, its holding company or any of their respective subsidiaries or any core connected persons of the Company; and

7. Such independent director is financially dependent on the Company, its holding company or any of their respective subsidiaries or core connected persons of the Company.

Article 8 Independent directors and potential independent directors shall follow the requirements of the CSRC to participate in trainings organized by CSRC and institutions authorized by it.

Chapter 3 Nomination, Election and Appointment

Article 9 The Board, the Supervisory Committee, or shareholders individually or jointly holding more than 1% of the issued shares of the Company are entitled to nominate candidates for independent directors for election at the general meeting.

Article 10 Nominators of independent directors shall secure the consent of the nominee prior to the nomination.

The nominator shall acquire all the personal particulars of his/her nominee as to their profession, education, professional title, detailed working experiences, and all part-time jobs, and express opinions on their qualifications and independence for acting as independent directors. The nominee shall make statements that they have no relationship with the Company which may affect his/her independent and objective judgments. Prior to the convening of the general meeting for election of independent directors, the Board of the Company shall make an announcement regarding the above matters pursuant to relevant regulations.

Article 11 Prior to the convening of the general meeting for election of independent directors, the Company shall simultaneously submit the relevant materials on all the nominees to the stock exchange on which the shares of the Company are listed. If the Board of the Company has objections concerning the relevant details of a nominee, the Company shall submit the written opinion to the Board at the same time.

At the general meeting for election of independent directors, the Board of the Company shall make an explanation as to whether the stock exchange objects to the candidates for independent directors.

Article 12 The term of office for independent directors shall be the same as that of other directors of the Company, and they may stand for re-election upon the expiry of their terms, but the re-appointment shall not exceed six years.

Article 13 Should an independent director fails to attend the Board meetings in person for three times in succession, the Board may propose to the general meeting for replacing such directors. Unless under the abovementioned circumstances and the circumstances as stipulated in the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law") that prohibit a person from acting as a director or an independent director has lost the independence as stated in the preceding Article 7, independent directors shall not be removed without any reason before the expiry of their terms. When an independent director is removed prior to the expiry of his/her term of office, the Company shall disclose it as a special event. Should an independent director believe that he/she was dismissed without proper reasons, he/she may make public statements in respect of it.

Article 14 Independent directors may resign before the expiry of their terms. Independent directors shall submit to the Board a written resignation report stating any situation relating to their resignation or which they consider to be necessary to draw to the attention of the shareholders and creditors.

Should the resignation of independent directors result in the proportion of independent directors in the Board of the Company falling below the minimum requirement as stipulated in the Articles of Associations, the resignation report of the said independent directors shall not become effective until the vacancy resulting from his/her resignation is filled up by succeeding independent directors.

Chapter 4 Powers

Article 15 Independent directors shall be vested with the following special rights in addition to the powers entitled under the Company Law, the Listing Place Regulations and other relevant laws:

(1) to approve related party transactions proposed between the Company and related parties with an amount of more than RMB3 million or 5% of the value of the Company's latest audited net assets) before submitting them to the Board for discussion, where independent directors may engage intermediaries to prepare independent financial reports as the basis for their judgment before making any judgment;

(2) to propose to the Board for the appointment or dismissal of accounting firms;

(3) to propose to the Board to convene an extraordinary general meeting;

(4) to propose to convene the Board meetings;

(5) to publicly solicit the voting rights from the shareholders prior to the convening of the general meeting;

(6) to independently employ external auditors and consulting firms to audit and consult with the Company on specific matters.

To exercise the powers set forth in items (1) to (5) of the preceding paragraph, independent directors shall secure the consent of more than half of all independent directors. To exercise the power set forth in item (6) of the preceding paragraph, independent directors shall secure the consent of all directors. Matters in items (1) and (2) shall be approved by more than half of all independent directors before they are submitted to the Board for discussion.

In the event that the proposals in item (1) of this article were not accepted or the abovementioned powers cannot be normally exercised, the Company shall disclose relevant circumstance.

Where laws, administrative regulations and the CSRC have other stipulations, such stipulations shall prevail.

Article 16 Apart from the above duties, independent directors shall issue independent opinions to the Board or the general meeting in respect of the following matters:

- (1) nomination, appointment and dismissal of directors;
- (2) appointment or dismissal of senior management members;
- (3) remuneration of directors and senior management members of the Company;
- (4) borrowings or other fund transfers, existing or occurred, made between the Company and the shareholders, de facto controllers of the Company and their related enterprises involving a total amount of more than RMB3 million or 5% of the value of the Company's latest audited net assets, and whether the Company has adopted any effective measures to recover the arrears;
- (5) any matter deemed by independent directors as possibly damaging the interests of minority shareholders;
- (6) other matters specified in laws, administrative regulations, the CSRC, relevant laws and regulations at the place where the shares of the Company are listed and the Articles of Association.

The opinions issued by independent directors in respect to the abovementioned matters shall be as follows: consent; qualified opinion and the reasons hereto; objection opinion and the reasons hereto; and unable to provide opinions and the obstacles hereto. Such opinions shall be explicit and clear.

In the case that relevant matters are discloseable, the company shall make an announcement on the opinions of the independent directors. Should no consensus be reached by the independent directors, the Board shall disclose the opinions of each independent director respectively.

Article 17 To guarantee the effective exercise of the powers by independent directors, the Company shall provide the independent directors with the following necessary conditions:

(1) The Company shall undertake that independent directors will enjoy the same right of access to information as other directors. For any matters subject to decisions by the Board, the Company shall lawfully advise the independent directors in advance and provide them with adequate information; and if the said information is deemed as inadequate, the independent directors are entitled to request supplement information. When two or more independent directors hold that the information is inadequate or the grounds are indefinite, they may jointly propose in writing to the Board to postpone the Board meeting or the consideration of the matter, and the Board is obliged to accept such proposal.

The Company and independent directors shall keep the information provided by the Company to the independent directors for a period of no less than 10 years.

(2) The Company shall provide the independent directors with necessary working conditions to perform their duties. The Board secretary of the Company shall proactively assist independent directors in performing their duties. With regard to independent opinion, proposal and written statement made by independent directors which shall be announced, the Board secretary shall make timely arrangement with the stock exchange for such announcement.

(3) In the exercise of powers by the independent directors, the relevant personnel of the Company shall actively cooperate with them, and shall not reject, hinder the provision of or conceal relevant information, or interfere with their exercising powers independently.

(4) The expenses incurred by the independent directors in the engagement of intermediaries and other expenses in performing their powers shall be borne by the Company.

(5) The Company shall offer appropriate allowances to independent directors. The rate of such allowances shall be proposed by the Board for consideration and approval at the general meeting and shall be disclosed in the annual report and interim report of the Company or other documents provided in the regulatory rules on listing.

(6) Save for the above allowances, independent directors shall not receive any other additional and undisclosed benefits from the Company and its substantial shareholders or interested parties and persons.

(7) The Company may establish the requisite system of liability insurance for independent directors to mitigate the risks that may arise in the normal performance of their duties and responsibilities.

Chapter 5 Supplementary Provisions

Article 18 Matters not covered by the Rules shall be subject to relevant laws, regulations, regulatory documents of the state and regulatory rules and listing rules at the place where the shares of the Company are listed, including the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (referred to as the “Listing Place Regulations” herein) and the Articles of Association of the Company. In case of any conflict between the Rules and the relevant laws, regulations, regulatory documents, the Listing Place Regulations and the Articles of Association of the Company, the latter shall prevail.

Article 19 The Rules shall be subject to the interpretation by the Board of the Company and relevant amendments shall be submitted to the general meeting for consideration and approval.

If there is any inconsistency between the Chinese text and the English text in respect of this appendix, the Chinese text shall prevail.

MANAGEMENT SYSTEM FOR THIRD PARTY GUARANTEE

Chapter 1 General Provisions

Article 1 In order to protect the legal interests of investors, regulate the external guarantees of CMOC Group Limited (hereinafter referred to as the “**Company**”), effectively prevent risks on external guarantees of the Company and ensure the safety of the Company’s assets, the Company has formulated the Rules in accordance with the Company Law of the People’s Republic of China, the Civil Code of the People’s Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Regulatory Guidelines for Listed Companies No. 8 – Regulatory Requirements for Capital Transaction and External Security and other laws, regulations and regulatory documents as well as the Articles of Association of CMOC Group Limited (hereinafter referred to as the “Articles of Association”) in combination with the actual conditions of the Company.

Article 2 External guarantees specified herein shall refer to the guarantees provided by the Company to others, including the guarantees provided by the Company to its controlled subsidiaries.

Article 3 The Company exercises centralized management over external guarantees, unless otherwise approved by the Board or the general meeting of the Company, no individual is entitled to enter into any contracts, agreements or other similar legal documents on external guarantees in the name of the Company.

Article 4 The directors and senior management of the Company shall exercise caution and strict control over liability risks arising from guarantees, and accept joint responsibilities for losses arising from illegal or inappropriate external guarantees.

Article 5 External guarantees provided by the controlled subsidiaries or subsidiaries actually controlled by the Company are deemed as acts of the Company, and shall be subject to the Rules. Such controlled subsidiaries shall inform the Company to perform its information disclosure obligation in a timely manner after a resolution is made by their board of directors or their general meetings.

Article 6 The Company shall follow the principles of legal compliance, prudence, mutual benefit and safety when providing external guarantees, and shall strictly control the guarantee risk.

Article 7 The Company shall take necessary measures such as counter-guarantee for risk control upon provision of guarantee to others and the provider of counter-guarantee shall have actual solvency.

Article 8 According to the regulations of the place where the shares of the Company are listed, independent directors of the Company shall make special explanations on the cumulative and current external guarantees of the Company and express independent opinions in the annual report or other disclosure manners on the disclosure date provided in such regulations.

Chapter 2 Examination on External Guarantee Objects

Article 9 The Company may provide guarantees for an entity with independent legal person status which meets one of the following criteria:

- (1) a mutually guaranteed entity due to business needs of the Company;
- (2) an entity with established important business relationship with the Company;
- (3) an entity with potential important business relationship with the Company;
- (4) a controlled subsidiary of the Company and other entities in a control relationship with the Company.

The entities above shall also have relatively strong debt repayment capabilities and shall meet other relevant provisions hereof.

Article 10 Notwithstanding the criteria set out in Article 9 herein, the Company may still provide guarantees to parties who do not comply with such criteria upon the approval of the Board or the general meeting of the Company, if the development of business relationship and partnership with such parties seeking guarantees is deemed desirable by the Company and the level of risks involved is relatively low.

Article 11 The Board of the Company shall, before deciding on guarantee for others or submitting it to the general meeting for approval by voting, have a good understanding of the credit standing of the debtors and make a sufficient analysis on the interests and risks of the guarantee.

Article 12 The information on the credit standing of the guarantee applicant shall at least include the following:

- (1) basic information of enterprise including business license, photocopies of its articles of association, identity certification of its legal representative, relevant information revealing related relationship and other relationship with the Company, etc.;
- (2) application for guarantee, including but not limited to the form, term and amount of such proposed guarantee;

- (3) audited financial reports for the recent three years and loan repayment ability analysis;
- (4) photocopies of the main contract in respect of the loan;
- (5) conditions and relevant information in relation to the guarantee applicant's provision of counter-guarantee;
- (6) statement of non-existence of potential and pending major lawsuit, arbitration or administrative penalty;
- (7) other important information.

Article 13 Based on the basic information provided by the guarantee applicant, the responsible person shall investigate and verify the guarantee applicant's business operation, financial position, project status and credit status, as well as the prospects of the industry involved, and submit to the application to the relevant departments for review in accordance with the contract approval procedures. The relevant information shall be submitted to the Board or the general meeting of the Company for approval after being reviewed by responsible leaders and the CEO.

Article 14 The Board or the general meeting of the Company shall review and vote on the submitted information, and shall record the relevant voting results. No guarantee shall be provided to the guarantee applicant by the Company in case of any of the following circumstances or if the information provided is insufficient:

- (1) the use of capital does not comply with laws and regulations or national industrial policies of the State;
- (2) false records or false information exist in the financial and accounting documents in the recent three years;
- (3) the Company has provided guarantee for the guarantee applicant, which has delayed the repayment of bank loan and its interests, and has not repaid the loan or cannot implement the effective rectification measures at the time of the guarantee application;
- (4) the guarantee applicant is featured with deteriorating business conditions or poor credit standing, with no sign of improvement;
- (5) the guarantee applicant has failed to secure effective assets for counter-guarantee;
- (6) other circumstances under which the Board considers it impossible to provide guarantee in accordance with the requirements of the regulatory authorities of the place where the shares of the Company are listed.

Article 15 The counter-guarantee provided by the guarantee applicant or other effective risk-control measures shall match with the guaranteed amount. No guarantee shall be provided to the guarantee applicant if the property against which the counter-guarantee is to be provided is prohibited by relevant laws and regulations from free transfer or otherwise non-transferable.

Chapter 3 Approval Procedures for External Guarantees

Article 16 The general meeting of the Company is the highest decision-making body in respect of external guarantees provided by the Company. The Board of the Company shall exercise its decision-making authority over external guarantees pursuant to its authority for approval of external guarantees as stipulated in the Articles of Association and the authorization of the general meeting of the Company. For any external guarantee beyond the approval authority of the Board as stipulated in the Articles of Association or the authorization of the general meeting of the Company, the Board shall prepare and submit a proposal to the general meeting for approval. The Board shall organize, manage and implement the external guarantees approved by the general meeting.

Article 17 Any matters of external guarantee within the approval authority of the Board subject to consideration and approval of more than half of all directors shall be considered and approved by more than two-thirds of the directors present at the Board meeting.

Article 18 External guarantees subject to consideration and approval by the general meeting shall be submitted to the general meeting for consideration and approval after they are considered and approved by the Board. External guarantees subject to consideration and approval by the general meeting include but not limited to the following ones:

- (1) any guarantee after the total amount of external guarantees of the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets of the Company;
- (2) any guarantee after the total amount of external guarantees of the Company and its controlled subsidiaries exceeds 30% of the latest audited total assets of the Company;
- (3) a guarantee provided to guaranteed targets with a gearing ratio exceeding 70%;
- (4) a single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;
- (5) guarantees with a total amount within 12 consecutive months exceeding 30% of the latest audited total assets of the Company;
- (6) guarantees that are provided for shareholders, de facto controllers and their related parties;
- (7) other guarantees that are subject to approval by the general meeting as required by other laws, administrative regulations and the Articles of Association.

When any guarantee as described in item (5) in the preceding paragraph is considered at the general meeting of the Company, it shall be approved by shareholders representing more than two-thirds of the voting rights of the shareholders in presence.

Upon consideration and approval by the Board, any guarantees provided by the Company to controlling shareholders, de facto controllers and their connected persons (as provided in relevant requirements of the regulatory authorities of the place where the shares of the Company are listed) shall be disclosed in a timely manner subject to the requirements of the regulatory authorities of the place where the shares of the Company are listed and be put forward to the general meeting for consideration with approval from more than one half of non-connected shareholders as required, regardless of the amount.

When a general meeting considers a guarantee proposal for any shareholder, de facto controller and their related parties, such shareholder or the shareholders controlled by the de facto controller shall not vote on such proposal, and the proposal shall be subject to the approval by voting by more than half of the voting rights represented by the other shareholders present at the general meeting. When the Company provides guarantees to the controlling shareholders, de facto controllers and their related parties, such controlling shareholders, de facto controllers and their related parties shall provide counter-guarantees accordingly.

When the Company provides guarantee to a shareholder holding less than 5% of the shares in the Company, the requirements in the preceding paragraph shall be followed and such shareholder shall abstain from voting at the general meeting.

The Company shall not provide external guarantee unless the resolution on such guarantee is approved by the Board or the general meeting in accordance with relevant procedures provided herein or the regulatory authorities of the place where the shares of the Company are listed.

Article 19 The Company may, when necessary, engage an external professional institution to evaluate the risk of an external guarantee as a basis for decision-making by the Board or at the general meeting.

Article 20 The Company shall enter into guarantee contracts and counter-guarantee contracts in respect of external guarantees in writing. The guarantee contracts and the counter-guarantee contracts shall include contents as required by such laws and regulations as the Guarantee Law of the People's Republic of China, the Contract Law of the People's Republic of China and relevant requirements of other jurisdiction(s) applicable to the aforesaid contracts.

Article 21 A guarantee contract shall at least include the followings:

- (1) the category and amount of the principal creditor's right to be guaranteed;
- (2) the term for the debtor to repay the debts;
- (3) the method of guarantee;
- (4) the scope of guarantee;
- (5) the term of guarantee;
- (6) other matters as considered necessary to be agreed upon by the parties.

Article 22 Upon entering into a guarantee contract, the person in charge shall comprehensively and diligently review the signatory and relevant particulars of the principal contract, the guarantee contract and counter-guarantee contract. The Company shall request the relevant party to amend any clause which may contravene laws, regulations, the regulatory authorities of the place where the shares of the Company are listed, the Articles of Association and relevant resolutions of the Board or the general meeting of the Company and impose unreasonable obligations or unpredictable risks on the Company. If such party refuses to amend such clauses, the person in charge shall decline to provide guarantee for such party and report to the Board or the general meeting of the Company.

Article 23 The legal representative or other personnel legally authorized may sign guarantee contracts on behalf of the Company pursuant to the resolutions of the Board or the general meeting. No person shall be entitled to sign guarantee contracts on behalf of the Company without approval and authorization by the resolutions of the general meeting or the Board of the Company. The person in charge shall not sign guarantee contracts or act as the guarantor to sign or seal principal contracts which are beyond his authorization.

Article 24 The Company may enter into mutual guarantee agreements with corporate legal person who meets the conditions specified in the Rules. The person in charge shall, in a timely manner, require such corporate legal person to provide authentic financial and accounting statements and other materials that reflects its solvency.

Article 25 Upon acceptance of a counter-guarantee mortgage or a counter-guarantee pledge, relevant departments of the Company shall complete the relevant legal procedures, in particular the timely registration of such mortgage or pledge and other procedures.

Article 26 If a guaranteed debt is due and extension is required, and the Company is required to further provide guarantee, guarantee consideration procedures shall be re-fulfilled as if it is a new external guarantee.

Chapter 4 Management of External Guarantees

Article 27 External guarantees shall be handled by the financial department.

Article 28 The major duties of the Company's financial department are as follows:

- (1) to investigate into and evaluate the credit status of the guaranteed entity;
- (2) to complete the formalities for the guarantee procedures;
- (3) to duly keep track of, inspect and monitor the guaranteed entity after external guarantee is provided;
- (4) to manage the filing of the documentation of the guaranteed enterprise seriously;
- (5) to provide the Company's auditing department with a complete and accurate record of all the Company's external guarantees in a timely manner in accordance with the requirements;
- (6) to handle other matters relating to the guarantees.

Article 29 The Company shall keep the guarantee contracts and relevant original materials in appropriate order and shall conduct reviews in a timely manner. The Company shall also conduct regular cross-checking with relevant institutions such as banks to ensure the completeness, accuracy and validity of the data filed, and shall take heed of the term of the guarantees.

During the course of contract management, the Company shall report to the Board and the Supervisory Committee in a timely manner upon identification of any unusual contract that has not been approved in accordance with the examination procedures of the Board or the general meeting.

Article 30 The Company shall assign a specific officer to continuously monitor the conditions of the guaranteed party, gather the latest financial information and audit report of the guaranteed party, regularly analyze its financial position and capability of debt repayment, and monitor its business operation, assets and liabilities, external guarantees, division and merger and any change of legal representatives, etc.

The relevant responsible person shall report to the Board in a timely manner once any significant issues such as serious deterioration in the operating conditions, dissolution or division of the guaranteed party are identified. The Board is obligated to adopt effective measures to minimize the relevant loss.

Article 31 In the event that the guaranteed party to which the Company provides guarantee fails to honor the obligation to repay debts timely upon maturity, or such guaranteed party becomes bankrupt or goes into liquidation or the creditors claim against the Company for performance of the guarantee obligations, the Company's responsible department shall make inquiry on the status of debt repayment of the guaranteed party in a timely manner, and shall be prepared to activate the counter-guarantee claiming procedures while such department shall simultaneously report such matter to the Board secretary, who shall promptly inform the Board of the Company of the same.

Article 32 In the event that the guaranteed party fails to fulfill its contractual obligations and its creditor requests the Company to fulfill its guarantee obligation, the Company's responsible department shall activate the counter-guarantee claiming procedures instantly and simultaneously report such matter to the Board secretary, who shall inform the Board of the Company of the same promptly.

Article 33 Upon fulfillment of the guarantee obligations for the debtor, the Company shall take effective measures to demand repayment from the debtor. The Company's responsible department shall report the repayment status to the Board secretary, who shall promptly inform the Board of the Company of the same.

Article 34 If it becomes evident to the Company that the guaranteed party has lost or is likely to lose its capability of debt repayment, the Company shall take necessary measures in a timely manner for effective risk control. Where malicious collusion between the creditor and the debtor that impairs the Company's interests is identified, the Company shall take prompt measures such as requesting confirmation of the nullification of the guarantee contract. The Company shall claim against the guaranteed party in a timely manner for any financial losses due to the default of the guaranteed party.

Article 35 In response to other potential risks, the financial department shall adopt effective measures and propose corresponding measures for review by responsible leaders, who shall then submit such measures to the Board and the Supervisory Committee of the Company, as the case may be.

Article 36 If the Company acts as one of the guarantors for a debt that has been secured by two or more guarantors and it is agreed that the guarantors shall take their respective guarantee obligations in proportion, the Company shall refuse to undertake any guarantee obligation beyond and additional to the agreed proportion.

Article 37 After the competent people's court accepts a debtor's bankruptcy case, if the creditor fails to declare the claims, the responsible person and the financial department shall request the Company to participate in the distribution of the bankruptcy property and exercise the right of recovery in advance.

Chapter 5 Disclosure of External Guarantee Information

Article 38 In compliance with the regulatory rules of the place where the shares of the Company are listed, the Articles of Association, the Administrative Policies on Disclosure of Information and other relevant provisions, the Company shall conscientiously perform information disclosure obligations in relation to external guarantees.

Article 39 Any department or responsible person engaged in external guarantee of the Company shall have the responsibility to report the information about external guarantee to the Board secretary of the Company timely and provide the documents and information necessary for the information disclosure.

Article 40 As regards the external guarantees considered and approved by the Board or the general meeting of the Company as set out in Article 17 and Article 18, the relevant disclosure shall be made through the website of the stock exchanges and the media that meets the conditions stipulated by the CSRC. The contents to be disclosed shall include but not be limited to the resolutions of the Board or the general meeting, and the following information on the total amount of external guarantees provided by the Company and its controlled subsidiaries and the total amount of guarantee provided by the Company to its controlled subsidiaries as of the information disclosure date.

If the guaranteed party fails to perform the debt repayment obligation within 15 trading days upon the maturity of debts or it is in bankruptcy or liquidation or faces other situations that substantially affect its solvency, the Company shall make relevant disclosure in a timely manner.

Article 41 The Company's relevant department shall take necessary measures to minimize the number of personnel to whom such information is available before the disclosure of information on guarantee in accordance with laws. Any person who is aware of the Company's guarantee information through legal or illegal approaches shall be subject to the inherent obligations for confidentiality until the day when such information is disclosed in accordance with laws, failing which he shall assume any legal liability arising therefrom.

Chapter 6 Responsibilities of the Responsible Person

Article 42 The Company shall strictly comply with the Rules in respect of provision of external guarantees. The Board of the Company shall impose corresponding penalty on the responsible person who has committed a fault with reference to its loss, size of the risk, and the gravity of the case.

Article 43 Any directors, CEO or other senior management of the Company who sign a guarantee contract beyond their authority without prior consent and without abiding by the provisions hereof shall be held accountable.

Article 44 Any responsible department officers or other responsible persons who breach the requirements of the laws or the Rules, neglect the risks and provide guarantees without authorization, causing losses to the Company, shall assume liability for compensation.

Article 45 If the Company's responsible department officers or other responsible persons fail to fulfill their duties and therefore cause losses to the Company, they shall be subject to economic punishment or administrative sanctions depending on the gravity of the case.

Article 46 Where the guarantor is free from guarantee liability according to the laws, but the Company's responsible department officers or other responsible persons act without prior authorization which results in the Company's assumption of liability and subsequent losses, they shall be subject to administrative sanctions by the Company and shall assume liability for compensation.

Chapter 7 Supplementary Provisions

Article 47 In the Rules, reference to "over" or "more than" shall be inclusive.

Article 48 "External guarantees" specified herein shall refer to the guarantees provided by the Company to others, including those provided by the Company to its controlled subsidiaries.

Article 49 The "total amount of external guarantees of the Company and its controlled subsidiaries" specified herein shall refer to the sum of the total amount of the Company's external guarantees including the Company's guarantees to its controlled subsidiaries and external guarantees of its controlled subsidiaries.

Article 50 Matters not covered by the Rules shall be subject to relevant laws, regulations, regulatory documents, regulatory rules and listing rules of at the place where the shares of the Company are listed including the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (referred to as the "**Listing Place Regulations**" herein) and the Articles of Association of the Company. In case of any conflict between the Rules and the relevant laws, regulations, regulatory documents, the Listing Place Regulations and the Articles of Association of the Company, the latter shall prevail.

Article 51 The Rules shall be subject to the interpretation and amendments by the Board of the Company.

Article 52 The Rules shall become effective and be implemented upon review and approval at the general meeting of the Company.

If there is any inconsistency between the Chinese text and the English text in respect of this appendix, the Chinese text shall prevail.

RELATED PARTY TRANSACTIONS MANAGEMENT SYSTEM

Chapter 1 General Provisions

Article 1 In order to regulate the related party transactions (referred to as “**connected transactions**” under the Hong Kong Listing Rules, similarly hereinafter) of CMOC Group Limited (hereinafter referred to as the “**Company**”), ensure the fairness and reasonableness of related party transactions and safeguard the interests of the Company and shareholders, the Rules are formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Articles of Association of CMOC Group Limited (hereinafter referred to as the “**Articles of Association**”), the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 5 – Transactions and Related Party Transactions, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the “**SSE Listing Rules**”) and other relevant laws, regulations and regulatory documents.

Article 2 The Company implements categorized management for related party transactions, determines the scope of related parties in accordance with the Hong Kong Listing Rules, the SSE Listing Rules and other relevant laws and regulations and complies with the requirements for approval and information disclosure in accordance with relevant regulations.

When conducting transactions, the Company shall consider the specific circumstances in accordance with the Hong Kong Listing Rules and the SSE Listing Rules and apply the more exacting rules of them in determining whether the parties involved in the transactions are related parties, whether the transactions constitute related party transactions, and determining the applicable decision-making procedures and disclosure requirements.

Article 3 The related party transactions of the Company shall comply with the following basic principles:

(I) Related party transactions shall be entered into in a written agreement. The entering into of the agreement shall follow the principles of integrity, trustworthiness, equality, free will, exchange of equal values. The contents of the agreement shall be clear and specific. The Company shall make disclosure on such matters as the execution, alteration, termination and performance of the agreements in respect of related party transactions in accordance with the provisions of securities regulatory authorities of the place(s) where the issued shares of the Company are listed and the regulatory rules of the place where the shares of the Company are listed;

(II) The Company shall take effective measures to prevent related parties from interfering in the operations and infringing upon the interests of the Company by such means as monopolizing the purchase and sale channels of the Company through related party transactions;

(III) Activities of related party transactions shall follow commercial principles. The prices of related party transactions shall not deviate from the price or charging standards of independent third parties on the market. The Company shall adequately disclose the quotation basis for the related party transactions.

Article 4 The Company and related parties shall comply with the following provisions when entering into agreements on related party transactions:

(I) any individual shall only represent one party when signing the agreement;

(II) no related party is allowed to interfere with the commercial decision of the Company relating to related party transactions in whatsoever manner.

Article 5 The general meeting and the Board of the Company shall supervise, manage and approve related party transactions of the Company in accordance with relevant provisions of the Hong Kong Listing Rules, the SSE Listing Rules and the Articles of Association. The financial department shall be responsible for the daily management of related party transactions, formulating the pricing principles of related party transactions, accounting of amounts involved in related party transactions and assisting the Board secretary in disclosure of related party transactions. The Board secretary shall be responsible for the disclosure of information on related party transactions.

Chapter 2 Related Parties

Article 6 Related parties of the Company include related legal persons and related natural persons, whose definitions are subject to the Hong Kong Listing Rules, the SSE Listing Rules and relevant laws and regulations.

Article 7 In accordance with the SSE Listing Rules, a legal person shall be a related legal person of the Company if he/she meets any of the following circumstances:

(I) legal persons or other organizations who/which have direct or indirect control over the Company;

(II) legal persons or other organizations who/which are directly or indirectly controlled by the legal persons or other organizations as mentioned in the preceding item, excluding the Company, its controlled subsidiaries and other entities controlled by it;

(III) legal persons or other organizations who/which are directly or indirectly controlled by the related natural persons as specified in Article 7 hereof, or are the directors (except being the independent director of both parties) and senior management, excluding the Company, its controlled subsidiaries and other entities controlled by it;

(IV) legal persons (or other organizations) holding more than 5% of the shares in the Company and their parties acting in concert;

(V) legal persons identified based on the principle of substance over form, to whom the Company's interest may be in their favor due to their special relationships with the Company.

If any circumstance mentioned in Item (II) occurs due to the fact that the Company and a legal person listed in Item (II) are controlled by the same state-owned asset administration authority, such circumstance shall not constitute a related relationship, except that the legal representative, the chairman or more than half of the directors of such legal person is covered by Item (III).

Article 8 In accordance with the SSE Listing Rules, a legal person shall be a related natural person of the Company if he/she meets any of the following circumstances:

(I) a natural person directly or indirectly holding 5% or above of the shares in the Company;

(II) a director, supervisor and senior management of the Company;

(III) a director, supervisor and senior management of the legal persons as specified in Item (1) of Article 7 of the Rules;

(IV) close family members of the persons referred to in Items (I) and (II) of this article, including their spouses; parents and parents of their spouses; siblings and their spouses; children aged over 18 and their spouses; siblings of their spouses and parents of their children's spouses;

(V) natural persons identified based on the principle of substance over form, to whom the Company's interest may be in their favor due to their special relationships with the Company.

Article 9 In accordance with the SSE Listing Rules, a legal person or other organization or natural person shall be deemed as a related party of the Company if he/she/it meets any of the following circumstances:

(I) according to an agreement or other arrangement entered into between him/her/it and the Company or its related party, he/she/it falls under any of the circumstances specified in Article 6 or Article 7 of the Rules after such agreement or arrangement has come into effect, or within the next twelve months;

(II) he/she/it has been under any of the circumstances specified in Article 7 or Article 8 of the Rules in the past twelve months.

Article 10 A related party relationship mainly refers to a way or channel through which the Company is being controlled or materially affected, either directly or indirectly, in the process of financial and operation decision making, including, amongst others, any relationship between the related party and the Company in terms of shareholdings, personnel, management and commercial interest.

Article 11 The related party relationship shall be determined in substance with reference to the specific way or channel of control or influence used, and the degree of control or influence exerted, by a related party on the Company.

Article 12 In accordance with the Hong Kong Listing Rules, except for the exceptions prescribed by it, related persons of the Company and its subsidiaries usually include the following parties:

(I) directors, supervisors, chief executives or substantial shareholders (i.e. persons entitled to exercise or control the exercise of 10% or more of the voting rights at the general meeting of the Company) of the Company or any of its subsidiaries (as defined in the Hong Kong Listing Rules);

(II) any person who has served as a director of the Company or any of its subsidiaries during the past 12 months (collectively referred to as “**basic related person**” together with the persons referred to in Item (I) of this Article);

(III) the associates of any basic related person, including:

1. In case that the basic related person is an individual:

(1) such individual’s spouse, and such individual or his/her spouse’s children or step-children (natural or adopted) under the age of 18 (the “**immediate family member**”);

(2) the trustees, acting in their capacity as such trustees, of any trust of which he/she or any of his/her immediate family member is the beneficiary or, in the case of a discretionary trust, is (to his/her knowledge) a discretionary object;

(3) a 30%-controlled company (as defined in the Hong Kong Listing Rules) directly or indirectly held by the basic related person, his/her immediate family member and/or the trustees (individually or jointly), or any subsidiary of the company;

(4) Any person who cohabits with him/her as a spouse, or his/her children, stepchildren, parent, stepparent, siblings or step sibling (each a “**family member**”); or a majority-controlled company directly or indirectly held by the family members (individually or jointly), or held by the family members together with the individual, his/her immediate family members and/or the trustees, or any subsidiary of the company; and

(5) If a basic related person or his/her immediate family member and/or a trustee together directly or indirectly hold 30% or more (or other percentage triggering a mandatory general offer or establishing the legal or management control rights over such enterprise under the PRC laws) in the paid capital or assets, or the contractual share of joint venture’s profits or other income of any cooperative or contractual joint venture (whether it is a separate legal person or not), the joint venture partner of such joint venture is the associate of such basic related person;

Except for the exceptions prescribed in the Hong Kong Listing Rules, Items (1), (2) and (3) above are “close associates” of the basic related person.

2. In the case where the basic related person is a company (i.e., a major corporate shareholder):

(1) A subsidiary, a holding company or a subsidiary of the same group to which such holding company belongs of the major corporate shareholder (the “**related company**”);

(2) The trustee of any trust acting as a trustee in favor of the major corporate shareholder or, in the case of a discretionary trust, as far as the major corporate shareholder knows, the subject of full trusteeship;

(3) A controlled company that directly or indirectly held 30% by the basic related person, its related companies and/or trustee (individually or jointly), or any subsidiary of such company; and

(4) If the basic related person, its related companies and/or the trustee, directly or indirectly, jointly hold 30% (or other percentage of statutory or management control established over a company in respect of which a compulsory public offer is triggered or established in accordance with the PRC laws) or above of the paid-up capital or assets or the profits or other gains under contract of any cooperative or contractual joint venture (whether the joint venture is an independent legal person or not), the joint venture partner of the joint venture is an associate of the basic related person;

Except for the exceptions prescribed in the Hong Kong Listing Rules, Items (1), (2) and (3) above are “close associates” of the basic related person.

(IV) A non-wholly-owned subsidiary of the Company, where related person at any company level is individually or jointly entitled to exercise or control the exercise of 10% or above of the voting rights at the general meeting of such non-wholly-owned subsidiary, and the subsidiary of such non-wholly-owned subsidiary.

Article 13 The related party transaction management department of the Company shall be responsible for collecting and updating the information of related parties.

Chapter 3 Related Party Transactions

Article 14 Related party transaction refers to a transaction between the Company or any of its subsidiaries and the related parties of the Company, as well as a specific class of transactions with a third party, which enables the related parties to receive benefit from its interest in the entity involved in the transaction. The related party transaction may be a one-off transaction or a continuing transaction.

Article 15 Transactions shall include capital-based transactions and revenue-based transactions, whether or not such transactions are conducted in the ordinary course of business of the Company. In addition to the exceptions prescribed in the Hong Kong Listing Rules, the following categories of transactions shall be also included:

(I) purchase or sale of assets, including those deemed disposal as set out in the Hong Kong Listing Rules;

(II) Granting, accepting, transferring, exercising, not exercising or terminating an option to purchase or sell assets or subscribe for securities;

(III) Entering into or terminating financial leases or operating leases or subleases (including leases or subleases of properties);

(IV) Giving indemnification or providing or receiving financial support. “Financial support” includes the granting of credit, loan, or providing indemnification, guarantee or mortgage in respect of loan;

(V) Entering into an agreement or arrangement for the establishment of a joint venture in any form (such as a partnership or a company), or joint venture arrangement of any other form;

(VI) Issuing new securities of the Company or its subsidiaries;

(VII) Providing or receiving labor services;

(VIII) External investment (including entrusted wealth management and investments in subsidiaries, etc.);

(IX) Providing financial support (including interest-bearing or interest-free loans and entrusted loans, etc.);

(X) Providing guarantees (including guarantees in favor of controlled subsidiaries);

- (XI) Lease in or out of assets;
- (XII) Entering into management contract (including entrusting or being entrusted to manage assets and business, etc.);
- (XIII) Donating assets or receiving the donated assets;
- (XIV) Restructuring of creditor's rights or debts;
- (XV) Entering into a licensing agreement;
- (XVI) Transfer or acceptance of research and development projects;
- (XVII) Waiver of rights (including waiver of pre-emptive rights, pre-emptive rights to contribute, etc.);
- (XVIII) Purchasing or selling raw materials, fuels and power;
- (XIX) Purchasing or selling products or commodities;
- (XX) Entrusting or being entrusted to purchase and sell;
- (XXI) Placing deposit in or obtaining loan from a finance company of the related parties;
- (XXII) Investing jointly with the related parties;
- (XXIII) Providing, accepting or sharing services;
- (XXIV) Other matters that may result in the transfer of resources or obligations through agreement; or
- (XXV) Other matters that the stock exchange where the Company is listed considers to be related party transactions.

Article 16 The Company shall, in accordance with the test method of the Hong Kong Listing Rules, distinguish the categories of related party transaction, and comply with or obtain waiver from complying with the requirements of reporting, announcement, and approval of independent shareholders when signing an agreement. In general, any related party transaction that not being expressly exempted under the Hong Kong Listing Rules must comply with the requirements of reporting, announcement, and approval of independent shareholders; among which

- (I) Reporting refers to the disclosure of relevant details in the annual reports and financial statements of the Company after its listing;

(II) Announcement shall include notification to The Stock Exchange of Hong Kong Limited and announcement on the website of the stock exchange and the website of the Company;

(III) If the approval of independent shareholder is required, the Company shall form an independent board committee and appoint an independent financial advisor. The Company shall prepare circulars to be distributed to shareholders and send to shareholders before the time required by the Hong Kong Listing Rules prior to the general meeting. All related persons who have a material interest in the transaction shall waive their voting rights at the general meeting.

Article 17 The continuing related party transaction refers to the related party transaction that is expected to be conducted continuously or frequently for a period of time and involve the provision of financial support, services or goods. In addition to determine whether the related party transaction is required to comply with the requirement of reporting, announcement, and shareholders' approval when signing the agreement, it is necessary to continuously monitor the implementation and whether the amount exceed the annual caps, and the Company shall re-comply with the Hong Kong Listing Rules when there are significant changes in the terms of the agreement, the amount exceeds the annual cap or the agreement is renewed.

Article 18 The Company shall, in accordance with relevant regulations, sign a written agreement with the related parties in respect of each related party transaction (including exempted related party transaction), setting out the calculation standard of the payment. The term of the agreement must be fixed and in line with normal commercial terms. Unless permitted in the Hong Kong Listing Rules, the term of a continuing related party transaction agreement shall not exceed three years. A maximum annual amount (the “**cap**”) is required for each continuing related party transaction and the Company shall disclose its baseline of calculation. The annual cap must be expressed in terms of currency value, instead of its percentage of annual earnings of the Company. The Company shall refer to the historical transactions and data identified in its published data when setting the cap. If the Company did not conduct such transactions in the past, a cap shall be set on reasonable assumptions and details of the assumptions shall be disclosed.

If the related party transaction exceeds the cap during the implementation or the agreement needs to be changed or to be renewed, it's necessary to re-approve in accordance with the procedures stipulated in the Hong Kong Listing Rules and the provisions of the Rules and comply with the relevant requirements of the Hong Kong Listing Rules.

Article 19 The related party transaction of the Company shall follow the pricing principles and methods below:

(I) The pricing order of related party transaction shall be subject to the principles of national pricing, market pricing and negotiated pricing; if there is no national pricing and market price, it is determined by the cost plus reasonable profits. In case of the failure of the above, the price shall be determined through negotiation between both parties.

(II) Both parties of the transaction shall determine the pricing method according to the specific circumstances of the related party transaction, and make it clear in the relevant agreement in respect of the related party transaction.

(III) Market price: The price and rate of identical or similar assets, goods or services, which are determined according to normal commercial terms by an independent third party without deviating from the market.

(IV) Cost-plus price: A transaction price and rate determined by adding a reasonable profit to the cost of the assets, goods or services involved in the transaction.

(V) Agreement price: Price and rate being negotiated on arm's length basis.

Article 20 Management of the price of the related party transaction:

(I) Both parties of the transaction shall calculate the transaction amount according to the price and the actual transaction quantity agreed in the related party transaction agreement, and shall settle the amount according to the payment method and time agreed in the related party transaction agreement.

(II) The financial management department of the Company shall track the market price and cost changes of the related party transaction of the Company, and report the changes to the Board for filing.

Chapter 4 Decision-making on Related Party Transactions

Article 21 When the Board of the Company deliberates the related party transaction, the directors who have related relationship with the counterparty of a transaction shall abstain from voting, and may not exercise the voting right on behalf of other directors. A meeting of the Board should be attended by a majority of the non-related directors and any resolution at the meeting shall be passed by more than half of the directors who are not related to each other. If the number of non-related directors attending the meeting of the Board is less than three, the matter shall be submitted to the general meeting for consideration.

A related director mentioned in the preceding paragraph shall include the following directors or a director involved in any of the following circumstances:

(I) being the counterparty of a transaction;

(II) being employed by the counterparty of a transaction, by a legal person or other organization which can directly or indirectly control the counterparty of a transaction, or by a legal person or other organization which is under direct or indirect control of the counterparty of a transaction;

(III) having direct or indirect control over the counterparty of a transaction;

(IV) being a close family member of the counterparty of a transaction or of such counterparty's direct or indirect controllers (refer to Item (IV) of Article 7 of the Rules for the specific scope);

(V) being a close family member of the directors, supervisors or senior management of the counterparty of a transaction or of such counterparty's direct or indirect controllers (refer to Item (IV) of Article 7 of the Rules for the specific scope);

(VI) being a director whose independent business judgment may be affected for other reasons as determined by the Company on the basis of the principle of substance over form;

(VII) other circumstances in which the director or any of his related persons has a material interest in the transaction in accordance with the Hong Kong Listing Rules.

Article 22 The Board of the Company shall evaluate if such related party transaction is in the interest of the Company on an objective basis. Where necessary, the Board may appoint an independent financial advisor to issue their opinions in respect of whether such transaction is fair to all shareholders in accordance with the requirements of the regulatory rules of the place where the shares of the Company are listed.

Article 23 When the general meeting of the Company considers the related party transaction, any shareholders who have material interests in the transactions in accordance with the SSE Listing Rules and the Hong Kong Listing Rules (hereinafter referred to as the “**related shareholders**”) shall abstain from voting.

Article 24 The related shareholders include shareholders who meets any of the following conditions:

(I) being the counterparty of a transaction;

(II) having direct or indirect control over the counterparty of a transaction;

(III) being under direct or indirect control of the counterparty of a transaction;

(IV) being directly or indirectly controlled by the same legal person or other organization or natural person as the counterparty of a transaction;

(V) being employed by a party of a transaction or by a legal person or other organizations with direct or indirect control over the party of the transaction and by a legal person or other organizations under direct or indirect control of the party of the transaction;

(VI) being a close family member of a party to a transaction or of a person who has direct or indirect control over the party of the transaction;

(VII) shareholders restricted or influenced in terms of voting right due to the share transfer agreement or other agreement that has not yet been fulfilled with the counterparty of a transaction or its related party;

(VIII) shareholders identified by the Company to whom the Company's interest may be in their favor;

(IX) other circumstances in which the director or any of his related persons has a material interest in the transaction in accordance with the SSE Listing Rules and the Hong Kong Listing Rules.

Article 25 The abstention of the related directors and the voting procedures are as follows:

(I) The related directors shall make an application for abstention on their own initiative, otherwise, other directors shall have the right to request them to abstain;

(II) In case of any dispute over whether a director is a related director, the Board shall make a request to the relevant regulatory department or company lawyer to confirm the related relationship, and decide whether he/she should abstain according to the response of the department or personnel as above mentioned;

(III) The related directors may attend the meeting to discuss matters on the related party transaction;

(IV) When the Board votes on the related party transaction, the related directors shall not exercise the voting rights, nor may they exercise the voting rights on behalf of other directors.

Article 26 The abstention and voting procedures of the related shareholders are as follows:

(I) The related shareholders shall make an application for abstention on their own initiative, otherwise, other shareholder shall have the right to request them to abstain;

(II) In case of any dispute over whether a shareholder is a related shareholder, the chairperson of the meeting shall conduct the examination, and the lawyer present at the meeting shall make judgment on whether the relevant shareholders are related shareholders according to relevant regulations;

(III) When the general meeting votes on the related party transaction, the related shareholders shall abstain from voting and shall not be counted into the quorum, nor shall they exercise the voting rights on behalf of other shareholders; after deducting the number of voting shares represented by the related shareholders, the non-related shareholders attending the general meeting shall vote in accordance with the Articles of Association and the Rules of Procedures of the General Meeting.

Article 27 In the case of complying with the Hong Kong Listing Rules and the SSE Listing Rules, the Company may be exempted from performing the relevant obligations according to the provisions of the Rules when the Company and the related parties entered into the following related party transactions:

(I) One party subscribes in cash the shares, company bonds or corporate bonds, convertible corporate bonds or other derivatives publicly issued by the other party;

(II) One party, as a member of the underwriting syndicate, underwrites shares, company bonds or corporate bonds, convertible corporate bonds or other derivatives publicly issued by the other party;

(III) One party receives dividends, bonus or remuneration in accordance with the resolution of the general meeting of the other party;

(IV) A related party transaction resulting from one party's participation in a public bidding and public auction, unless it is unlikely for the public bidding or public auction to be conducted at a fair price;

(V) Other transactions recognized by the stock exchange where the shares of the Company are listed.

Article 28 The authority for decision-making on related party transactions:

In accordance with the Hong Kong Listing Rules, the Company shall conduct ratio tests as required by the Hong Kong Listing Rules on the proposed related party transaction, including (I) the asset ratio, i.e. the percentage of the total assets involved in the transaction to the total assets of the Company; (II) the income ratio, i.e. the percentage of the income attributable to the assets involved in the transaction to the Company's income; (III) the consideration ratio, i.e. the percentage of the consideration involved in the transaction to the total market value of the Company; and (IV) the share capital ratio, i.e. the par value of the share capital issued by the Company as consideration to the par value of the share capital issued by the Company prior to the relevant transaction. The data used for the above ratio tests shall be adjusted in accordance with the Hong Kong Listing Rules in individual cases, and the specific calculation method shall refer to the provisions of the Hong Kong Listing Rules.

(I) Related party transactions that should be approved by the Board of the Company:

In accordance with the SSE Listing Rules, (1) the amount of the related party transaction with related natural persons is more than RMB300,000 and doesn't meet the criteria for consideration at the general meeting as stipulated in Item (III) of this Article (except for guarantee provided by the Company); (2) the amount of the related party transaction with related legal persons is more than RMB3 million and accounts for more than 0.5% of the absolute value of the latest audited net assets of the Company and doesn't meet the criteria for

consideration at the general meeting as stipulated in Item (III) of this Article (except for guarantee provided by the Company); (3) the related party transaction that the CEO is entitled to determine and implement, but the Board, independent directors or the Supervisory Committee consider to be submitted to the Board for examination and approval; (4) the related party transaction judged and implemented by the Board authorized by the general meeting shall be reviewed and approved by the Board.

Related party transactions that are partially exempted in accordance with the Hong Kong Listing Rules as amended from time to time (exemption from the requirement of independent shareholders' approval) shall be considered and approved by the Board. For the scope of related party transactions that are partially exempted, please refer to Chapter 14A of the Hong Kong Listing Rules or relevant contents of the Rules for Management of Transactions of CMOC Group Limited.

Related party transaction that should be approved by the Board shall be reported to the Board by the CEO or director who is in contact with the matter at the first time. The Board shall, in accordance with the procedures of the Board meetings, make a reasonable judgment and resolution on whether it is a related party transaction.

(II) Related party transactions that should be approved at the general meeting of the Company: related party transactions not exempted under the Hong Kong Listing Rules as amended from time to time (subject to the reporting, announcement and independent shareholders' approval requirements) shall be submitted to the general meeting for consideration and approval after being considered and approved by the Board. For the scope of related party transactions that are partially or fully exempted, please refer to Chapter 14A of the Hong Kong Listing Rules or relevant contents of the Rules for Management of Transactions of CMOC Group Limited.

In accordance with the SSE Listing Rules, (1) the amount of the related party transaction is more than RMB30 million and accounts for 5% or above of the absolute value of the latest audited net assets of the Company (except the Company providing guarantee, receiving cash assets as gift and transaction purely for the purpose of granting debt reduction or relief to the Company); (2) the related party transaction that the CEO and the Board are entitled to judge and implement, but the independent directors or the Supervisory Committee believe to be submitted to the general meeting for review, shall be considered and approved at the general meeting. If the Board concludes that a related party transaction should be submitted to the general meeting for approval, the Board shall pass a resolution to submit it to the general meeting for review and issue a circular for convening the general meeting, which shall specify the date, place and topics of the general meeting, and clearly state the content, nature and related parties of the related party transaction. The independent directors shall make an opinion on the fairness of the related party transaction, whether it is in the interests of the Company and its shareholders, whether the annual cap of the related party transaction is fair and reasonable (in the case of a continuing related party transaction) and the proposal of voting. At the same time, the circular shall disclose the opinions of the independent financial advisor engaged by the Independent Board Committee to independent directors on the fairness of the

related party transaction, whether it is in the interests of the Company and its shareholders, whether the annual cap on the related party transaction is fair and reasonable (in the case of a continuing related party transaction) and the proposal of voting.

Article 29 Related party transactions that meet the review criteria of the Board set forth in Item (I) of Article 28 of the Rules shall be approved by more than 1/2 of all independent directors and then submitted to the Board for discussion. Before an independent director makes a judgment, an intermediary may be engaged to issue an independent financial advisor report as the judgment basis.

Article 30 For transactions between the Company and a related party with an amount of more than RMB30 million (except the Company receiving cash assets as gift, transaction purely for the purpose of granting debt reduction or relief to the Company and receiving guarantee) and accounting for more than 5% of the absolute value of the latest audited net assets of the Company, or other circumstances where the evaluation on transactions is required in accordance with the SSE Listing Rules and the Hong Kong Listing Rules, an intermediary with the qualification to execute securities and futures-related business shall be engaged to evaluate or audit the subject of the transaction and submit the transaction to the general meeting for review.

If the subject of the transaction is the equity of the Company, the Company shall employ an accounting firm with the qualification to carry out the relevant business of securities and futures to audit the financial and accounting report of the subject in the latest year and the latest period, and the audit deadline shall not exceed six months from the date of convening of the general meeting to review the transaction; if the subject of the transaction is other assets other than equity, the Company shall employ an assets appraisal firm with the qualification to carry out the relevant business of securities and futures, and the benchmark date of the appraisal shall not exceed one year from the signing date of the agreement. No audit or appraisal is required to be conducted on the subject involved in the related party transaction related to daily operations mentioned in Article 31.

In addition, in accordance with the Hong Kong Listing Rules, should the announcement contain a profit forecast in respect of the Company or a company which is, or is proposed to become, one of its subsidiaries, the Company must submit the following additional information and documents to the Stock Exchange by no later than the publication of such announcement:

(1) details of the principal assumptions, including commercial assumptions, upon which the forecast is based;

(2) a letter from the Company's auditor or reporting accountants confirming that they have reviewed the accounting policies and calculations for the forecast and containing their report; and

(3) a report from the Company's financial advisers confirming that they are satisfied that the forecast has been made by the directors after due and careful enquiry. If no financial advisers have been appointed in connection with the transaction, the Company must provide a letter from the Board confirming that they have made the forecast after due and careful enquiry.

Note: The "profit forecast" refers to any forecast on profit or loss (whatever the wording) and includes any statements on the calculation of future profit or loss (no matter expressed explicitly or through the comparison of previous profit or loss, any other basis or reference standards) as well as the estimation on any of the following profit or loss: namely the estimation on the profit or loss of a full accounting period for which relevant accounting period has expired but the Company has not announced relevant results. Any valuation of assets (except property interests) or businesses acquired by the Company based on discounted cash flows or projections of profits, earnings or cash flows are also considered as a profit forecast.

Article 31 The Company shall perform the relevant review procedures in accordance with the following provisions for the related party transaction matters related to the daily operation between the Company and the related parties:

(I) For the daily related party transactions occurring for the first time, the Company shall conclude a written agreement with the related party, and submit the transaction agreement to the Board of Directors or the general meeting for review (if necessary) in accordance with the amount involved in the agreement applicable to the provisions of Article 28.

(II) For the daily related party transaction agreement that has been reviewed and approved by the Board or the general meeting of the Company and is being executed, if the major terms of the agreement are changed significantly during the implementation or the agreement needs to be renewed upon expiration, the Company shall submit the newly revised or renewed daily related party transaction agreement to the Board or the general meeting for review (if necessary) in accordance with the amount involved in the agreement applicable to the provisions of Article 28.

(III) Where it is difficult to submit each agreement to the Board or the general meeting for the large number of daily continuing related party transactions occurring each year with the need for frequently entering into agreements, the Company shall enter into a related party transaction framework agreement with each party in accordance with the Hong Kong Listing Rules and Article 16 and Article 17 of the Rules and agree on an annual cap on the amount of transactions. Such framework agreement and annual caps shall be submitted to the Board or the general meeting for review in accordance with Article 28 of the Rules. If the amount of the daily related party transaction exceeds the estimated annual cap in actual execution, the Company shall re-conform to the reporting, announcement or independent shareholders' approval requirements under the Hong Kong Listing Rules in accordance with Article 28 for the excess amount.

Article 32 The daily related party transaction agreement shall at least include the transaction price, pricing principle and basis, total transaction amount or its determination method, payment time and method, and other major terms. In the case where the Hong Kong Listing Rules and the SSE Listing Rules are satisfied, and the Company has the daily related party

transaction agreement with the related parties for more than three years, the Company shall appoint an independent financial advisor to explain why the agreement requires a longer term, confirm that it is normal business practice for agreements of this type to be of such duration and re-perform relevant review procedures and disclosure obligations every three years in accordance with the provisions of Article 31.

Article 33 For related party transactions or relevant transactions related with each other carried out between the Company and different related parties on the same subject or between the Company and the same related party within 12 consecutive months, the transactions shall be submitted to the Board or the general meeting for review in accordance with the amount of transactions calculated accumulatively and applicable to the provisions of Article 28, and disclosed in accordance with the provisions of Article 30 and Article 36. The same related party includes those directly or indirectly controlled by the same legal person, other organizations or natural person or having a relationship of equity control with each other; or a legal person or other organization whose director or senior management is the same natural person.

In addition, the aggregation period will cover 24 months if the related party transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

Article 34 When the Company provides guarantee to the related party, the Company shall submit the related party transaction to the general meeting for review after the approval of the Board, regardless of the amount.

When the Company provides guarantee to a shareholder holding less than 5% of the shares in the Company, the requirements in the preceding paragraph shall be followed and such shareholder shall abstain from voting at the general meeting.

When the Company provides guarantee to the related party and in addition to the consideration and approval of more than half of all non-related directors, it shall be considered, approved and resolved by more than two-thirds of non-related directors present at the Board meeting and submitted to the general meeting for consideration. When the Company provides guarantees to the controlling shareholders, de facto controllers and their related parties, such controlling shareholders, de facto controllers and their related parties shall provide counter-guarantees accordingly.

Article 35 The Company shall take effective measures to prevent the shareholders and their related parties from occupying or transferring the Company's funds, assets and other resources in various forms. The Company shall not provide the funds directly or indirectly to the controlling shareholders and other related persons for use in the following ways:

(I) advancing wages, benefits, insurance, advertising and other expenses and bearing costs and other expenses for controlling shareholders, de facto controllers and other related parties;

(II) lending the funds (including entrusted loans) of the Company to the controlling shareholders, de facto controllers and other related parties with or without compensation, except when the other shareholders of the Company's invested companies provide funds in the same proportion. The abovementioned "invested companies" shall exclude companies controlled by the Company's controlling shareholders or de facto controllers;

(III) Entrusting controlling shareholders, de facto controllers and other related persons to conduct investment activities;

(IV) Issuing commercial acceptance bills for the controlling shareholders and other related persons without real transaction background, and financing purchases, asset transfer payments and prepayments without consideration for goods and services or in circumstances that not commercially reasonable;

(V) Repaying debts on behalf of controlling shareholders, de facto controllers and other related persons;

(VI) Other means recognized by the regulatory authorities at the place where the Company is listed.

Article 36 In accordance with the Hong Kong Listing Rules as amended from time to time, except for meeting fully exempted related party transactions (exempt from the reporting, announcement and independent shareholders' approval requirements), related party transactions shall be disclosed according to the existing Hong Kong Listing Rules. For the scope of fully exempted related party transactions, please refer to Chapter 14A of the Hong Kong Listing Rules or relevant contents of the Rules for Management of Transactions of CMOC Group Limited.

In accordance with the SSE Listing Rules, any related party transactions between the Company and the related natural person with an amount of more than RMB300,000 (except the guarantee provided by the Company) shall be disclosed in a timely manner. The Company shall not directly or indirectly provide loans to the directors, supervisors and senior management. If the transaction amount between the Company and the related legal person is over RMB3 million and accounts for more than 0.5% of the absolute value of the latest audited net assets of the Company (except for the guarantee provided by the Company), the related party transaction shall be disclosed in a timely manner.

Chapter 5 Supplementary Provisions

Article 37 Related party transactions between subsidiaries (within the meaning prescribed in the Hong Kong Listing Rules) or controlled subsidiaries (namely, companies of which the Company holds more than 50% of its shares, which can determine the election of more than half of the members of its board of directors, or which is controlled by the Company through agreement or other arrangements) of the Company and related parties shall be deemed to be conducted by the Company and shall be subject to the approval procedures under the Rules.

Article 38 Documents in relation to the decision-making records of related party transactions and resolutions shall be kept by the Board secretary for a term of no less than ten years.

Article 39 For the purpose of the Rules, the terms of “no less than” or “no more than” shall each include the said number; and the terms of “below” or “above” shall not include the said number.

Article 40 The Rules shall be formulated by the Board of the Company and considered and approved at the general meeting of the Company, which is also required for any amendment.

Article 41 Matters not covered by the Rules shall be subject to the Articles of Association, the Hong Kong Listing Rules, the SSE Listing Rules and other relevant laws and regulations. In case of any conflict or inconsistency between the Rules and the Articles of Association, the Hong Kong Listing Rules, the SSE Listing Rules and other relevant laws and regulations to be issued or amended in the future, the latter shall prevail.

Article 42 The Rules shall be subject to the interpretation by the Board of the Company and relevant amendments shall be submitted to the general meeting for consideration and approval.

If there is any inconsistency between the Chinese text and the English text in respect of this appendix, the Chinese text shall prevail.

EXTERNAL INVESTMENT MANAGEMENT SYSTEM

Chapter 1 General Provisions

Article 1 To regulate the external investment behavior of CMOC Group Limited (hereinafter referred to as the “**Company**”), prevent investment risk and achieve greater external investment benefits, the Rules are formulated pursuant to the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in combination with the Articles of Association of CMOC Group Limited (hereinafter referred to as the “**Articles of Association**”).

Article 2 External investments in the Rules refer to the following domestic and overseas investment behaviors of the Company aiming at earning profit or preserving and increasing value:

- (1) equity investment in newly established enterprises;
- (2) capital increase, acquisition of equity interests and investment in new enterprises;
- (3) capital increase, acquisition of equity interests and investment in existing enterprises;
- (4) provision of shareholder loans, entrusted loans or trust loans to third parties;
- (5) disposal of assets or equity investments;
- (6) operating projects and asset investments of the Company;
- (7) stock and fund investments;
- (8) bond, entrusted loan and other debt investments;
- (9) wealth management products of financial institutions;
- (10) entrusted wealth management products of financial institutions;
- (11) financial derivative (including but not limited to options, futures, swaps, etc.) investments and embedded financial derivative investments;
- (12) other investment behaviors aiming at obtaining income in the future;

(13) other investment behaviors recognized by the Board of the Company.

Article 3 The external investment behaviors of the Company shall comply with the relevant regulations and industrial policies of the PRC, the place where the shares of the Company are listed and the place of external investments, be in line with development strategies of the Company, be favorable to enhancing the competitiveness of the Company, be favorable to reasonable resource allocation, create satisfactory economic benefits and facilitate the sustainable development of the Company.

Article 4 Investment behaviors shall follow the standards of scientific decision-making, routinised action, systematic management and standardized operation. Investment projects shall be conducted with sufficient elaboration, scientific assessment and regulated decision for preventing investment risk and earning reasonable investment income.

Article 5 Prior to the decision on material external investment projects, feasibility studies shall be conducted on the intended investment projects, various analysis on the return on investment, the internal return rate, the period for return on investment, investment risk and other analysis which contribute to making investment decisions. The feasibility report on investment shall be provided to the institutions or personnel which/who have the authority to approve the investments as a reference for decision-making on external investments.

Article 6 After the initial review of the relevant departments of the Company, the investment projects shall be reviewed and signed by the vice president of the Company who is in charge of those, then submitted to the CEO for decisions, or submitted to Investment Committee, the Board or the general meeting for decisions upon consideration and approval at the CEO's working meeting of the Company in accordance with the authority on investment decision-making.

Chapter 2 Authority on External Investment Decisions

Article 7 The general meeting, the Board and the Investment Committee of the Company are responsible for making decisions on external investments, and each makes decisions within their respective scope of authority in accordance with the laws.

Article 8 External investment of the Company meeting one of the standards below shall be considered and approved at the Board meeting, then submitted to the general meeting for consideration, and shall be disclosed in a timely manner:

(1) any transaction involving a total amount of assets (whichever is higher if there exist both a book value and an appraised value) that accounts for 50% or more of the audited total assets of the Company in the latest period;

(2) any transaction with a subject (such as equity interest) involving a net amount of assets (whichever is higher if there exist, both a book value and an appraised value) that accounts for 50% or more of the audited net assets of the Company in the latest period and with an absolute amount of more than RMB50 million;

(3) any transaction amount (including assumed liabilities and expenses) that accounts for 50% or more of the audited net assets of the Company in the latest period and with an absolute amount of more than RMB50 million;

(4) any transaction with a profit that accounts for 50% or more of the audited net profit of the Company in the latest accounting year and with an absolute amount of more than RMB5 million;

(5) any transaction with a subject (such as equity interest) whose relevant operating revenue in the latest accounting year accounts for 50% or more of the audited business revenue of the Company in the latest accounting year and with an absolute amount of more than RMB50 million;

(6) The net profit derived from the subject of the transaction (such as equity interest) in the latest accounting year accounts for 50% or more of the audited net profit of the Company in the latest accounting year and with the absolute amount of more than RMB5 million;

(7) Except in the aforesaid circumstances, when the Company enters into transactions of “acquisition or disposal of assets”, whether the subjects of the transactions are related, if the total asset value or the transaction amount calculated on an accumulative basis within 12 consecutive months exceeds 30% of the Company’s audited total asset value in the latest period, it shall be audited or appraised in accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and shall be submitted to the general meeting for consideration and approved by over two-thirds of the voting rights held by the shareholders attending the meeting.

(8) Other external investment behaviours which shall be considered and approved at the general meeting of the Company pursuant to the relevant laws, administrative regulations and normative documents in the PRC, the relevant laws and regulations in the Hong Kong Special Administrative Region, the rules or guidance of the Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited and the Articles of Association (collectively referred to as the “Regulatory Requirements”).

Article 9 Save and except for external investments subject to consideration and approval at the general meeting stipulated in Article 8 herein and by the chairman or the CEO as respectively stipulated in Article 11 herein, other investments shall be subject to consideration and approval by the Board. The Company shall establish the Investment Committee and the Investment Committee shall be responsible for considering certain external investments falling within the limit of authority of the Board in accordance with the decision-making rules and authority as considered and approved by the Board. The Investment Committee is accountable to the Board of the Company and the Board of the Company supervises the performance of duties by the Investment Committee.

For external investments subject to consideration and approval by the Board, a majority of votes of all directors is required, while the external investments subject to consideration and approval by the Investment Committee shall be considered and approved in accordance with relevant decision-making rules of the Investment Committee. If required, prompt information disclosure shall be made in accordance with relevant regulatory requirements.

Article 10 The Company's borrowings from financial institutions shall be considered and approved by the Board. The Board may delegate such authority to the Investment Committee depending on the actual conditions of the Company.

Article 11 The chairman and CEO of the Company may determine certain external investments based on the authorization of the Investment Committee.

Article 12 Investments subject to consideration and approval by the CEO shall be discussed and approved at the CEO's working meeting and shall be reported to the Investment Committee item by item on a quarterly basis, including but not limited to the subjects of investments and the reasons thereof.

Article 13 Any external investments in respect of connected transactions shall be implemented in accordance with regulatory requirements.

Chapter 3 Subsequent Daily Management of External Investment

Article 14 The Investment Committee shall take charge of the subsequent daily management of external investments. The CEO shall report to the Investment Committee on a quarterly basis in respect of the implementation and operation of external investment projects item by item, and the Investment Committee shall report to the Board on a quarterly basis in respect of the implementation and operation of external investment projects item by item.

Article 15 For controlled and invested companies formed through external investment, the Company shall assign shareholder representatives, directors, supervisors, legal representatives, CEOs, financial controllers and other operation and management members to such newly established companies according to the Company's shareholding proportions in such companies and provisions as stipulated in agreements and the articles of association. Such persons may participate in and influence the decision-making and operation of the new companies after being elected through legal procedures. The persons assigned by the Company shall report to the Company regularly, submit the work report every year, and accept assessment indicators and the inspection of the Company.

Article 16 The persons assigned by the Company shall meet the requirements on the qualification of directors, supervisors and senior management as set out in Chapter 6 of the Company Law and Chapter 10 of the Articles of Association, duly perform their duties in accordance with the Company Law, other relevant laws and regulations and the Articles of Association, protect the Company's interests during the operation and management of the new companies as well as maintain and increase the value of the Company's investments. The Board or the CEO has the right to, in accordance with the Rules, remove and replace any assigned persons who fail to meet the aforesaid qualifications and fail to perform their duties according to relevant provisions.

Article 17 The financial department of the Company shall maintain complete financial records for the Company's external investment activities, make detailed accounting and set up detailed books of accounts according to each investment project to record the relevant detailed information.

Article 18 Accounting policies, accounting estimates and changes adopted in accounting method and financial management of the Company's controlled subsidiaries shall comply with relevant requirements of the accounting standards of the Company.

Article 19 Financial controllers of subsidiaries assigned by the Company shall supervise the truthfulness and legality of financial status of such subsidiaries.

Article 20 The Company shall establish the accountability system on investment. Any liable person who makes investment in violation of the PRC laws and the industrial policies of the state, or carries out an investment project without the approval of the Company, or carries out an investment project before submitting it for approval, or fail to perform the decision-making procedure as required, or makes substantial mistakes in feasibility study and review of the project due to breach of duty, or loses control over investment in project construction, or causes abnormal losses from project operation, or breaches other management regulations, shall be investigated for his/her responsibilities by the Company in all earnestness.

Chapter 4 Transfer and Withdrawal of External Investment

Article 21 The Company may withdraw external investment upon the occurrence of one of the following situations:

- (1) The operation period of the investment project (enterprise) expires;
- (2) The investment project (enterprise) is unable to repay due debts as a result of mismanagement;
- (3) The investment project (enterprise) is unable to continue its operation due to force majeure;

(4) Occurrence of other situations under which the investment shall be terminated pursuant to the contract.

Article 22 The Company may transfer its external investment upon the occurrence of one of the following situations:

(1) The investment project is obviously against the Company's strategic development and operation target;

(2) The investment project suffers from continuous losses and the market prospect is bleak;

(3) The Company has insufficient working capital and needs to supplement a large quantity of capital as soon as possible;

(4) Other reasons that the Company deems necessary.

Article 23 The withdrawal and transfer of external investment shall be made in accordance with relevant regulatory requirements and the Articles of Association.

Chapter 5 Reporting and Information Disclosure of Significant Event

Article 24 The Company shall perform its information disclosure obligation in respect of its external investment in strict compliance with the regulatory requirements, the Articles of Association and other relevant requirements.

Article 25 Prior to the disclosure of external investment matters, each informed person shall bear the confidentiality responsibility. Each informed person shall not apply the information to conduct insider transactions, and not disclose or insinuate others to conduct insider transactions.

Article 26 The Company shall be informed of all information of the subsidiaries. The subsidiaries shall comply with the information disclosure rules of the Company and promptly report the following matters to the Board/the office of the Board secretary or relevant departments:

(1) disposal of assets;

(2) material litigations and arbitrations;

(3) external guarantees;

(4) provision for impairment in respect of significant assets;

(5) connected transactions;

- (6) signing of material contracts;
- (7) the conclusion, revision and termination of material contracts (borrowings, entrusted operation, trusted operation, entrusted wealth management, donations, contracting, leasing, etc.);
- (8) large amount cheques returned by banks;
- (9) material operating or non-operating losses;
- (10) material losses;
- (11) material administrative punishment;
- (12) other reportable matters required by the Company; or
- (13) other matters required by regulatory requirements.

Article 27 The subsidiaries shall ensure the truthfulness, accuracy and completeness of the information provided by them, and such information shall be submitted to the Company as soon as practicable, so that the Board secretary would be able to make timely disclosure.

Chapter 6 Supplementary Provisions

Article 28 The Rules are applicable to all controlled subsidiaries and branches of the Company. When considering any external investment matters of the Company's invested subsidiaries, the general meeting, the Investment Committee, the Board or the CEO of the Company shall perform the decision-making procedure for external investment and form resolutions in strict compliance with the provisions of the Rules. The Company and its relevant persons assigned shall implement such resolutions in relevant decision-making process by the general meeting, the board and the operation management of such invested subsidiaries.

The proposed investment projects of the Company's controlled subsidiaries and branches, regardless of the investment scale, shall be submitted to the headquarters of the Company for approval. Any substantial investment activities shall not proceed without approval of such investment project by the headquarters of the Company in accordance with the Rules.

Article 29 In the Rules, reference to "over" or "more than" shall be inclusive.

Article 30 The Company and all of its controlled subsidiaries and branches shall carry out the matters concerning the approval and management of external investment in strict compliance with the provisions set out herein.

Article 31 Matters not covered by the Rules shall be subject to relevant laws, regulations, regulatory documents and regulatory rules at the place where the shares of the Company are listed, including the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the Articles of Association. In case of any conflict or inconsistency between the Rules and the relevant laws, regulations, regulatory documents, the regulatory rules at the place where the shares of the Company are listed or the Articles of Association, the latter shall prevail.

Article 32 The Company and its controlled subsidiaries, invested subsidiaries and branches may prepare relevant specific provisions pursuant to the Rules.

Article 33 The Rules shall be subject to the interpretation by the Board of the Company and relevant amendments shall be submitted to the general meeting for consideration and approval.

If there is any inconsistency between the Chinese text and the English text in respect of this appendix, the Chinese text shall prevail.

FUND RAISING MANAGEMENT SYSTEM OF CMOC

Chapter 1 General Provisions

Article 1 In order to reinforce and regulate the management of the raised funds and enhance the efficiency and benefits in the use of capitals, the Company has formulated the Rules in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures on Administration of Initial Public Offering and Listing, the Administrative Measures on Issuance of Securities by Listed Companies, the Regulation on Report of Use of Raised Funds from the Previous Issuance, the Regulatory Guidelines for Listed Companies No. 2 – Regulatory Requirements on the Management and Use of Raised Funds of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation and other laws, regulations and rules as well as the Articles of Association of CMOC Group Limited.

Article 2 The raised funds under the Rules mean the funds raised by the Company from investors through the issuance of shares and their derivatives for particular purposes. The raised funds shall be subject to the verification and issuance of a capital verification report by a qualified accounting firm engaged in securities business.

Article 3 The directors, supervisors and senior management of the Company shall perform its due diligence obligations on the management and use of the raised funds. Prior to any raising activities, they shall, based on the Company's development strategies, principal businesses, market circumstances and the state's industry policies, carry out sufficient argumentation on the feasibility of proposed investment projects of the raised funds, specify the amount, investment target, planned progress and expected revenue thereof and submit the proposal to the general meeting of the Company for approval.

Article 4 The Board and the Supervisory Committee of the Company shall strengthen their examination on the utilization of the raised funds to ensure that the use of capitals be in line with its undertakings in prospectuses for fund raising or the approval on the utilization granted by the general meeting. The Board shall track the status and result of investment whether both can reach the estimated level as stated in the prospectuses for fund raising. Independent directors shall perform obligatory duties whether the allocation of raised funds of the Company, the management and use of capitals are beneficial to the interests of the Company and investors. The auditors of the Company shall concern about the conformity of the deposit and use of the raised funds with the information disclosure of the Company.

Chapter 2 Deposit of Raised Funds

Article 5 The raised funds shall be deposited in the special account determined by the Board (hereinafter referred to as the “**Special Account for Raised Funds**”) for concentrated management, and the Special Account for Raised Funds shall not include other funds or be used for other purposes.

Article 6 The Company shall enter into a three-party regulatory agreement relating to the Special Account for Raised Funds (hereinafter referred to as the “**Agreement**”) with the sponsor, the independent financial advisor or the commercial bank where such raised funds are deposited (hereinafter referred to as the “**Commercial Bank**”) within one month after the collection of the raised funds. The Agreement shall include at least the followings:

- (1) The Company shall deposit the raised funds into the Special Account for Raised Funds;
- (2) Account number of the Special Account for Raised Funds, the projects financed by the raised funds related to the special account and the amount deposited;
- (3) The Commercial Bank shall provide the Company with the reconciliation statement relating to the Special Account for Raised Funds, and shall forward a copy to the sponsor or the independent financial advisor;
- (4) Where the amount drawn by the Company once at a time or aggregately within 12 months exceeds RMB50 million from the Special Account for Raised Funds and accounts for 20% of the total amount of the raised funds minus the issuance cost (hereinafter referred to as the “**Net Raised Funds**”), the Company shall notify the sponsor or the independent financial advisor in a timely manner;
- (5) The sponsor or the independent financial advisor may inquire at any time the information of the Special Account for Raised Funds at the Commercial Bank;
- (6) The defaulting liabilities for the Company, the Commercial Bank, the sponsor or the independent financial advisor;
- (7) The supervision duties of the sponsor or the independent financial advisor, the notification and cooperation duties of the Commercial Bank, the supervision method of the sponsor or the independent financial advisor and the Commercial Bank on the use of the raised funds of the Company;
- (8) In the event of the Commercial Bank’s failure, for three times, to provide the reconciliation statement to the sponsor or the independent financial advisor in a timely manner and failure to meet the sponsor’s or the independent financial advisor’s request to inquire and investigate into information on the Special Account for Raised Funds, the Company may terminate the Agreement and cancel such Special Account for Raised Funds.

The Company shall report to the Shanghai Stock Exchange for filing and make an announcement within 2 trading days upon the execution of the above-mentioned Agreement.

Article 7 Where above-mentioned Agreement is terminated earlier before the expiration of validity term due to such reasons as the change of the sponsor or the Commercial Bank, the Company shall enter into a new agreement with relevant parties within 2 weeks as of such termination, and shall report the new agreement to the Shanghai Stock Exchange for filing and make an announcement within 2 trading days upon the execution of the new agreement.

Chapter 3 Use of Raised Funds

Article 8 The raised funds shall be used by the Company according to the use plan of the raised funds committed in the application document in relation to the issuance. Where any circumstances occur that materially affects the use plan of the raised funds, the Company shall report to the Shanghai Stock Exchange and make an announcement in a timely manner.

Article 9 Where any of the following circumstances occurs to the investment project with the raised funds (hereinafter referred to as the “**Investment Project**”), the Company shall re-evaluate the feasibility and expected earnings of such project, decide whether to continue the implementation of such project, and disclose the progress of the project, reasons for abnormal circumstances and the Investment Project after adjustment (if any) in the latest periodic report:

- (1) Significant changes occur in the market environment of the Investment Project;
- (2) The Investment Project has been delayed for more than one year;
- (3) The project has gone beyond the completion period of the previous investment plan and the invested amount of the raised funds has not reached 50% of relevant planned amount;
- (4) Other abnormal situations occur to the Investment Project.

Article 10 The Investment Project shall not be holding trading financial assets and available-for-sale financial assets, loans to others, entrusted wealth management or other financial investments; and shall not be directly or indirectly for investments in the companies whose main business is to trade marketable securities.

Article 11 The Company shall not make disguised change of the purpose of the raised funds through pledge, entrusted loans or other manners.

Article 12 The raised funds shall not be used or misappropriated by the controlling shareholder, de facto controller or other connected persons, and the Company shall adopt effective measures to prevent connected persons from gaining unlawful benefits through the Investment Project.

Article 13 When the Company previously invested with its own funds in the Investment Project, it may replace its own funds with the raised funds within 6 months after the raised funds are transferred to the account. As to the replacement, it shall not be implemented until the Board considers and approves, the Company shall obtain a verification report from an accounting firm, and the independent directors, the Supervisory Committee and the sponsor or the independent financial advisor will express explicit affirmative opinions. The Board shall report to the Shanghai Stock Exchange and make an announcement within 2 trading days after the completion of the replacement.

Article 14 The temporarily idle raised funds of the Company may be used in cash management and the invested product shall meet the following conditions:

(1) High-safety and principal-guaranteed products such as structured deposits and certificate of deposits;

(2) Good liquidity without affecting the normal progress of the investment plans of the raised funds. The investment products shall not be pledged, and the special product settlement account (if applicable) shall not be used for the deposit of the funds other than the raised funds or for any other purposes, and in case of opening or cancelling a special product settlement account, the Company shall file with the Shanghai Stock Exchange and make an announcement in a timely manner within 2 trading days.

Article 15 Where the Company invests the idle raised funds in any investment products, it shall obtain the approval from the Board of the Company, and require the independent directors, the Supervisory Committee and the sponsor to express explicit affirmative opinions.

The Company shall announce the followings within 2 trading days after the meeting of the Board:

(1) The basic information of the raised funds, including the time for raising the funds, the amount, the Net Raised Funds and the investment plan;

(2) The information on the use of the raised funds;

(3) The amount and period of idle funds invested in any investment product, and whether there is any act that changes the raised funds purposes in disguise and whether there is any measure that ensures the normal operation of the projects with the raised funds not to be affected;

(4) The income distribution method, investment scope and safety of the invested product;

(5) Opinions issued by the independent directors, the Supervisory Committee, the sponsor or the independent financial advisor.

Article 16 In order to avoid the idleness of raised funds and exploit the efficiency of its utilization, the raised funds may be used for temporarily supplementing the working capital under laws, regulations and normative documents when meeting the following requirements:

- (1) It shall not change the purpose of the raised funds in disguise and shall not affect the normal operation of the investment plan with the raised funds;
- (2) It is limited to the production and operation relating to principal businesses, and shall not be used for placement or subscription of new shares, or be used for trading of shares and its derivatives as well as convertible corporate bonds through direct or indirect arrangements;
- (3) The time for each supplementing of working capital shall not exceed 12 months;
- (4) The due previous raised funds temporarily supplementing working capital has been repaid (if applicable).

Where the Company uses idle funds to temporarily supplement the working capital, it shall obtain the approval from the Board, obtain the affirmative opinion from independent directors, the sponsor and the Supervisory Committee, and shall report to Shanghai Stock Exchange and make an announcement within 2 trading days.

Article 17 If the actual Net Raised Funds exceed the planned raised funds, the excess portion (hereinafter referred to as the “**Excess Funds**”) may be used for permanently supplementing the working capital or repaying bank loans, but the aggregated amount for each 12 months shall not exceed 30% of the total amount of the Excess Funds. The Company shall undertake not to make high-risk investments or provide financial support for others within 12 months after supplementing the working capital.

Article 18 Where the Excess Funds are used for permanently supplementing the working capital and repaying bank loans, it shall be subject to the consideration and approval from the Board and the general meeting. Online voting shall be available for the shareholders, and independent directors, the Supervisory Committee, the sponsor or the independent financial advisor shall express affirmative opinions.

The Company shall report to the Shanghai Stock Exchange and announce the followings within 2 trading days after the Board meeting:

- (1) The basic information of the raised funds, including the time for raising the funds, the amount, the Net Raised Funds, the Excess Funds and the investment plan;
- (2) The information on the use of the raised funds;
- (3) The necessity and detailed plan on the Excess Funds used for permanently supplementing the working capital and repaying bank loans;

- (4) The undertaking on not to make high-risk investments or provide financial support for others within 12 months after supplementing the working capital;
- (5) The impact on the Company from the use of the Excess Funds for permanently supplementing the working capital and repaying bank loans;
- (6) Opinions from the independent directors, the Supervisory Committee, the sponsor or the independent financial advisor.

Article 19 When the Company invested the Excess Funds in projects under construction and new projects (including acquisition of assets), the investment shall be limited to its principal businesses. The Company shall apply the relevant regulations of Articles 22 to 27 in the Rules, conduct the feasibility analysis on the Investment Project in a scientific and diligent manner, and perform the obligation of information disclosure in a timely manner.

Article 20 Where a single Investment Project is completed and the Company uses the remaining raised funds of such project (including interest income) for other Investment Projects, it shall do the same after obtaining the approval from the Board and after the independent directors, the sponsor and the Supervisory Committee express affirmative opinions. The Company shall report to Shanghai Stock Exchange and make an announcement within 2 trading days after the Board meeting.

Where the remaining raised funds (including interest income) are less than RMB1 million or less than 5% of the committed investment amount of the raised funds of such Investment Project, the Company may be exempted from the preceding procedures, and the information on the use shall be disclosed in its annual report.

Where the remaining raised funds (including interest income) of a single Investment Project is used for other projects than the Investment Project (including supplementing working capital), it will perform relevant procedures and disclosure obligations by reference to the changed Investment Project.

Article 21 After the entire Investment Project is completed and if the remaining raised funds (including interest income) are more than 10% of the Net Raised Funds, the Company may use the remaining raised funds after the consideration and approval of the Board and the general meeting, and the independent directors, the sponsor and the Supervisory Committee issuing their confirmative opinions. The Company shall report to Shanghai Stock Exchange and make an announcement within 2 trading days after the Board meeting.

If the remaining raised funds (including interest income) are less than 10% of the Net Raised Funds, the Company may use the remaining raised funds after the consideration and approval of the Board, and the independent directors, the sponsor and the Supervisory Committee issuing their affirmative opinions. The Company shall report to Shanghai Stock Exchange and make an announcement within 2 trading days after the Board meeting.

If the remaining raised funds (including interest income) are less than RMB5 million or less than 5% of the Net Raised Funds, the Company may be exempted from performing the preceding procedures, and the information on the use shall be disclosed in its latest periodic report.

Chapter 4 Change of Allocation of Raised Funds

Article 22 When the Investment Project of the Company is changed, it shall be subject to the consideration and approval by the Board and the general meeting as well as affirmative opinion of the independent directors, the sponsor and the Supervisory Committee.

Where the implementation entity of the investment project with the raised funds is changed from the Company to its wholly-owned subsidiaries or vice versa, or where the Company merely changes the implementation site of the Investment Project, it may be exempted from the preceding procedures, and shall be subject to the consideration and approval of the Board. The Company shall report to Shanghai Stock Exchange and announce the change reasons and the sponsor's opinion within 2 trading days.

Article 23 The changed Investment Project of the Company shall be limited to the main business.

Article 24 The Company shall conduct the feasibility analysis on the new Investment Project in a scientific and diligent manner, ensure that the Investment Project has good market prospect and profitability, effectively avoid investment risks, and enhance the efficiency in the use of the raised funds.

Article 25 Where the Company proposes to change the Investment Project, it shall report to Shanghai Stock Exchange and announce the followings within 2 trading days upon submitting to the Board for consideration:

- (1) The basic information of the original Investment Project and the specific reasons for the change;
- (2) The basic information of the new Investment Project, the feasibility analysis and risk alerts;
- (3) The investment plan of the new Investment Project;
- (4) The explanation on the approval that has been granted or pending from the relevant departments for the new Investment Project (if applicable);
- (5) Opinions of the independent directors, the Supervisory Committee, the sponsor or the independent financial advisor on the change of the Investment Project;
- (6) Explanations on the change of the Investment Project subject to consideration at the general meeting;

(7) Other requirements of the Shanghai Stock Exchange.

Where the new Investment Project involves connected transactions, acquisitions of assets and foreign investments, the Company shall disclose according to relevant provisions.

Article 26 Where the Company changes the Investment Project and uses the funds to acquire the assets from the controlling shareholder or de facto controllers (including equities), it shall ensure that the acquisition will effectively avoid horizontal competition and reduce connected transactions.

Article 27 Where the Company intends to transfer or replace the Investment Project (except that the Investment Project has been wholly transferred or replaced during the implementation of material assets reorganization in the Company), it shall report to Shanghai Stock Exchange and announce the followings within 2 trading days after submitting to the Board for consideration:

- (1) The specific reasons for transferring or replacing the Investment Project;
- (2) The amount of the raised funds that has been invested in the project;
- (3) The completion degree and realized efficiency of the project;
- (4) The basic information, the feasibility analysis and risk alerts of the replacement project (if applicable);
- (5) The pricing basis and relevant income of the transfer or replacement;
- (6) The opinions of independent directors, the Supervisory Committee, the sponsor or the independent financial advisor on the transfer or replacement of the Investment Project;
- (7) Explanations on the transfer or swap of the Investment Project subject to consideration at the general meeting;
- (8) Other requirements of the Shanghai Stock Exchange. The Company shall pay full attention to the collection and use of the transfer price, the change information of the ownership of replacement assets, and the continuous operation of the replacement assets, and shall perform necessary information disclosure obligations.

Chapter 5 Management and Supervision on the Use of Raised Funds

Article 28 The Board of the Company shall fully examine the status of Investment Project every half a year, and issue the Special Report relating to the Deposit and Actual Use of the Raised Funds of the Company based on the conditions concerning the actual deposit and use of the raised funds.

The Company shall provide specific explanations in the Special Report relating to the Deposit and Actual Use of the Raised Funds of the Company on the difference between the actual investment status and the investment plan of the Investment Project. When investing in products with idle raised funds for the current period, the Company shall disclose information, including revenue for the reporting period, share of investment at the end of the reporting period, signing parties, product name and maturity term, in the Special Report relating to the Deposit and Actual Use of the Raised Funds of the Company.

The Special Report relating to the Deposit and Actual Use of the Raised Funds of the Company shall be subject to consideration and approval by the Board and the Supervisory Committee, and shall be reported to the Shanghai Stock Exchange and announced within 2 trading days after submitting to the Board for consideration. The Company shall appoint an accounting firm for issuance of a verification report based on the conditions of the deposit and use of raised funds at the time of annual audit, submit to the Shanghai Stock Exchange at the time of disclosure of annual report and make disclosure on the website of the Shanghai Stock Exchange.

Article 29 The Audit Committee under the Board, the Supervisory Committee or more than half of the independent directors may appoint a certified public accountant to conduct special audit on the deposit and use of raised funds and issue a verification report. The Company shall proactively facilitate the above and bear necessary costs.

The Board shall report to the Shanghai Stock Exchange within 2 trading days following its receipt of the verification report as stipulated in the preceding paragraph and publish an announcement thereof. If the verification report considers a breach of rules regarding the management and use of the raised funds by the Company, the Board shall also announce the situation concerning the breach of rule by the deposit and use of the raised funds, the consequences resulted in or possibly caused and measures adopted or intended to be adopted.

Article 30 The sponsor shall conduct an on-site investigation on the actual deposit and use of the raised funds of the Company at least once half a year.

Following the end of each accounting year, the sponsor shall issue a special verification report relating to the annual deposit and use of the raised funds of the Company, and shall submit to the Shanghai Stock Exchange at the time of disclosure of annual report and make disclosure on the website of the Shanghai Stock Exchange. The verification report shall include the followings:

- (1) Situations relating to the deposit, use of the raised funds and the specific account balance;
- (2) Progress of the project with the raised funds, including the difference between the actual progress and the planned investment progress of raised funds;
- (3) The information on the replacement of the Company's own funds previously invested in the investment project with the raised funds (if applicable);

- (4) The situation and effect of using idle raised funds to supplement the working capital (if applicable);
- (5) The information on the use of Excess Funds (if applicable);
- (6) The information on the change of the allocation of the raised funds (if applicable);
- (7) The conclusive opinion relating to whether the deposit and use of the raised funds is compliant with laws and regulations;
- (8) Other requirements of the Shanghai Stock Exchange. After the end of each accounting year, the Board of the Company shall disclose the conclusive opinion of the special examination report issued by the sponsor and the verification report issued by an accounting firm in the Special Report relating to the Deposit and Actual Use of the Raised Funds of the Company.

Chapter 6 Supplementary Provisions

Article 31 Where the Investment Project is carried out by the Company's subsidiaries or other enterprises controlled by the Company, it shall be subject to the Rules.

Article 32 Matters not covered by the Rules shall be subject to relevant laws, regulations and normative documents of the state and relevant provisions of the Articles of Association of the Company. In case of any conflict or inconsistency between the Rules and relevant laws, regulations, normative documents and the Articles of Association of the Company, the latter shall prevail.

Article 33 Except for strictly complying with relevant laws, regulations and normative documents, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and relevant provisions under the Rules about the use, deposit and change of the allocation of the raised funds, the Company shall still strictly observe the provisions about information disclosure under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 34 The Rules shall be subject to the interpretation by the Board and relevant amendments shall be submitted to the general meeting for consideration and approval.

This explanatory statement contains the information required under Rule 10.06(1)(b) of the Hong Kong Listing Rules. Its purpose is to provide the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution in relation to granting of the Repurchase Mandate.

1. HONG KONG LISTING RULES

The Hong Kong Listing Rules permit companies with a primary listing on the Hong Kong Stock Exchange to repurchase their securities subject to certain restrictions. Repurchases must be funded out of funds legally available for the purpose and in accordance with the company's constitutional documents and the applicable laws of the jurisdiction in which the company is incorporated or otherwise established. Any repurchase must be made out of funds which are legally available for the purpose and in accordance with the laws of the PRC and the memorandum and articles of association of the company. Any premium payable on a repurchase over the par value of the shares may only be deducted from the balance of distributable profits and the proceeds from issuance of new shares for the purpose of repurchase of the existing shares.

2. SHARE CAPITAL

As at the Latest Practicable Date, the share capital of the Company was RMB4,319,848,116.60 comprising 3,933,468,000 H Shares of RMB0.20 each and 17,665,772,583 A Shares of RMB0.20 each.

Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and the approval of the regulatory authorities as required by the laws, rules and regulations of the PRC being obtained and the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under Article 27 of the Articles of Association; on the basis that no further Shares are issued prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 393,346,800 H Shares (representing 10% of the number of the H Shares in issue as at the date of granting of the Repurchase Mandate) during the proposed repurchase period.

3. REASONS FOR REPURCHASE OF H SHARES

The Board believes that the repurchase of H Shares is in the best interests of the Shareholders as a whole and the Company. It can strengthen the investors' confidence on the Company and promote a positive effect for maintaining the Company's image in the capital market. The repurchase of Shares will only be exercised when the Directors believe such repurchase will benefit the Company and the Shareholders.

4. EXERCISE OF THE REPURCHASE MANDATE

Subject to the passing of the special resolution approving the granting of the Repurchase Mandate to the Board proposed at the AGM, the Board will be granted the Repurchase Mandate until the conclusion of the Relevant Period (as defined in the special resolution set out in the notice of AGM). In addition, the exercise of the Repurchase Mandate shall be subject to: (1) the approval of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained; and (2) the Company not being required by its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to relevant requirements in respect of reducing the registered capital under the Articles of Association.

5. FUNDING OF REPURCHASES

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources (which include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its H Shares. Under the Hong Kong Listing Rules, H Shares so repurchased shall be treated as cancelled and the Company's registered capital shall be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled. The Company may not repurchase securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange as amended from time to time.

There might be an adverse impact on the working capital or gearing ratio of the Company as compared with the position disclosed in the audited consolidated accounts contained in the annual report of the Company for the year ended 31 December 2022 in the event that the repurchase of H Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of H Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company.

6. H SHARES PRICES

The highest and lowest traded prices for the H Shares on the Hong Kong Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	4.60	3.63
May	4.02	3.43
June	4.68	3.73
July	4.43	3.65
August	3.98	3.44
September	3.72	3.00
October	3.31	2.38
November	3.65	2.57
December	3.94	3.42
2023		
January	4.64	3.51
February	4.98	4.36
March	4.90	3.96
April (up to the Latest Practicable Date)	5.80	4.59

7. GENERAL INFORMATION

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Hong Kong Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

None of the Directors, to the best of their knowledge upon having made all reasonable enquiries, nor their close associates (as defined in the Hong Kong Listing Rules), has any present intention to sell any H Shares to the Company or its subsidiaries under the Repurchase Mandate if such resolutions are approved by the Shareholders.

No other core connected persons (as defined in the Hong Kong Listing Rules) have notified the Company that they have a present intention to sell H Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

8. TAKEOVERS CODE

If on the exercise of the powers to repurchase H Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Cathay Fortune Corporation and Luoyang Mining Group Co., Ltd. held approximately 24.69% and 24.68% of the total share capital of the Company, respectively. In the event that the Directors should exercise the proposed Repurchase Mandate in full, the shareholding of Cathay Fortune Corporation and Luoyang Mining Group Co., Ltd. would be increased to approximately 25.15% and 25.13% of the total share capital of the Company, respectively (if both parties do not participate in such repurchase). The Directors are not aware of any consequences which will arise under the Takeovers Code and/or other relevant applicable laws, as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not repurchase Shares on the Hong Kong Stock Exchange if such repurchase would violate the requirements under Rule 8.08 of the Hong Kong Listing Rules.

9. H SHARES REPURCHASED BY THE COMPANY

The Company had not repurchased any H Shares (whether on the Hong Kong Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

10. OTHER MATTERS IN RELATION TO THE REPURCHASE OF H SHARES**(I) The Price Range for Repurchase**

Pursuant to the Hong Kong Listing Rules, the repurchase price shall not be higher than 5% of the average closing price for the five trading days prior to the actual repurchase. The repurchase price shall be determined according to the actual condition of the market and the Company when the repurchase is made.

(II) Disposal of Shares Repurchased

Pursuant to the Hong Kong Listing Rules, H Shares repurchased under this general mandate can only be cancelled and the registered capital of the Company shall be reduced accordingly.

(III) Time Constraint for Repurchase

In accordance with the requirements of regulatory authorities, a listed company shall not repurchase its shares prior to convening meetings of board of directors for periodic reports and publishing periodic reports, or during the period of the existence of inside information (including, but not limited to, the major asset acquisitions, asset restructuring, disposal of assets), during the period from formal negotiations to the release of inside information.

NOTICE OF THE ANNUAL GENERAL MEETING



洛 阳 铝 业

洛陽欒川鋁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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of CMOC Group Limited* (the “**Company**”) for the year 2022 will be held at the Mudu-Lee Royal International Hotel at No. 239 Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the People’s Republic of China (the “**PRC**”) at 1:00 p.m. on Friday, 9 June 2023 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 28 April 2023.

ORDINARY RESOLUTIONS

1. “To receive and consider the Proposal on the Report of the Board of Directors of the Company for the Year 2022.”
2. “To receive and consider the Proposal on the Report of the Supervisory Committee of the Company for the Year 2022.”
3. “To receive and consider the Proposal on the Annual Report of the Company for the Year 2022.”
4. “To receive and consider the Proposal on the Financial Report and Financial Statements of the Company for the Year 2022.”
5. “To consider and approve the Profit Distribution Plan of the Company for the Year 2022.”
6. “To consider and approve the Proposal on the Re-appointment of the External Auditors of the Company for the Year 2023.”
7. “To consider and approve the Proposal on the Budget Report of the Company for the Year 2023.”
8. “To consider and approve the Proposal on the Purchase of Structured Deposit with Internal Idle Fund.”

NOTICE OF THE ANNUAL GENERAL MEETING

9. “To consider and approve the Proposal on the Purchase of Wealth Management or Entrusted Wealth Management Products with Internal Idle Fund.”

SPECIAL RESOLUTIONS

10. “To consider and approve the Proposal on the External Guarantee Arrangements for the Year 2023 of the Company.”
11. “To consider and approve the Proposal on Authorization to the Board (the “**Board**”) of the Company to Decide on Issuance of Debt Financing Instruments.”

ORDINARY RESOLUTIONS

12. “To consider and approve the Proposal on Purchase of Liability Insurance for Directors, Supervisors and Senior Management of the Company.”
13. “To consider and approve the Proposal on the Formulation, Amendment and Improvement of the Internal Control Systems of the Company.”
14. “To consider and approve the Proposal on Forfeiture of Uncollected Dividend of H Shareholders for the Year 2015.”
15. “To consider and approve the Proposal on the Authorization to the Board to Deal with the Distribution of Interim Dividend and Quarterly Dividend for the Year 2023.”

SPECIAL RESOLUTIONS

16. “To consider and approve the Proposal on the Grant of a General Mandate to the Board for Issuance of Additional A Shares and/or H Shares of the Company as follows:
- (a) To grant a general and unconditional mandate to the Board and the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to determine separately or jointly allot, issue and deal with A Shares and/or H Shares of the Company (not exceeding 20% of the outstanding Shares in issue as at the date of the passing of this resolution for each class of such Shares) and to grant rights to subscribe for, or convert any security into, Share (the issue of A Shares shall still be subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the general meeting of the Company in accordance with the relevant regulations of the PRC) and the terms and conditions for the allotment, issuance and dealing of new Shares, including but not limited to:
- (i) class and number of new Shares to be issued;
- (ii) price determination method of new Shares and/or issue price (including price range);

NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) the starting and closing dates for the issue;
 - (iv) class and number of the new Shares to be issued to existing shareholders; and/or
 - (v) the making or granting of offers, agreements, options which might require the exercise of such powers.
- (b) The numbers of A Shares or H Shares (excluding Shares issued in form of capital conversion from capital reserve) to be separately or jointly allotted, issued and dealt with (whether pursuant to an option or otherwise) pursuant to the share mandate, shall not exceed 20% of the A Shares or H Shares in issue at the time when this resolution is passed at the AGM by the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)).
- (c) If the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) have resolved to allot, issue and deal with A Shares and/or H Shares within the Relevant Period as defined below, and the Company has also obtained the relevant approval, permission or registration (if applicable) from the competent regulatory authorities within the validity term of the share mandate, the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) may complete the relevant allotment, issuance and dealing works within the validity term of such approval, permission or registration.
- (d) To grant the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to obtain approvals from the relevant government authorities and/or regulatory authorities (if applicable) in accordance with applicable laws (including but not limited to the Company Law, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange) for the exercising of the share mandate.
- (e) The share mandate will become effective from the date of passing of this resolution at the AGM until the earliest of (the “**Relevant Period**”):
- (i) the expiration of 12 months from the date of passing of this resolution at the AGM;
 - (ii) the conclusion of 2023 annual general meeting of the Company; or
 - (iii) the revocation or amendment of the share mandate granted under this resolution by the approval of special resolution at a general meeting by Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING

- (f) To grant the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to approve, execute and make or procure to execute and make any documents, deeds and matters, complete necessary formalities, adopt other necessary actions in connection with the allotment, issuance and dealing of any new Shares in accordance with the share mandate as considered fit.
 - (g) To grant the Board or its authorized person(s) (and person(s) delegated by such authorized person(s)) to increase the registered capital of the Company and to make appropriate and necessary amendments to the articles of association of the Company (the “**Articles of Association**”) after completion of the allotment and issuance of new Shares according to the method, type and number of the allotment and issuance of new Shares by the Company, and the then shareholding structure of the Company.”
17. “To consider and approve the Proposal on the Grant of a General Mandate to the Board to Repurchase H Shares as follows:
- (a) subject to paragraphs (b) and (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Hong Kong Stock Exchange or of any other governmental or regulatory body;
 - (b) the number of H Shares authorized to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the number of H Shares in issue as at the date of the passing of this resolution;
 - (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the approval of all the competent regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
 - (ii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 27 of the Articles of Association;
 - (d) for the purpose of this special resolution, “**Relevant Period**” means the period from the date of passing of this special resolution until the earlier of:
 - (i) the conclusion of the 2023 annual general meeting of the Company; or

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the Shareholders at a general meeting, or a special resolution at their respective class meeting; and
- (e) subject to the approval of all relevant government authorities in the PRC for the repurchase of such H Shares being granted, to authorise the Board to:
- (i) formulate and implement detailed repurchase plan, including but not limited to repurchase price, number of Shares to be repurchased, timing of repurchase and period of repurchase etc.;
 - (ii) notify creditors and make announcement in accordance with the requirements of relevant laws, regulations and normative documents as well as the Articles of Association;
 - (iii) open overseas share accounts and to carry out related change of foreign exchange registration procedures;
 - (iv) carry out relevant approval and filing procedures as required by regulatory authorities and the stock exchanges where the Shares are listed;
 - (v) carry out cancellation procedures for repurchased shares, reduce the registered capital of the Company, and make corresponding amendments to the Articles of Association relating to total share capital and shareholding structure etc., and to carry out statutory registrations and filings within and outside China; and
 - (vi) execute and handle other documents and matters relating to share repurchase.”
18. “To consider and approve the Proposal on the Provision of Financial Support to the Invested Subsidiaries.”
19. “To consider and approve the proposed addition of Mr. Jiang Li as a non-executive director of the sixth session of the Board of the Company.”
20. “To consider and approve the proposed addition of Mr. Lin Jiuxin as a non-executive director of the sixth session of the Board of the Company.”
21. “To consider and approve the proposed addition of Mr. Zheng Shu as a non-employee representative supervisor of the sixth session of the supervisory committee of the Company.”

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

Luoyang City, Henan Province, the PRC, 28 April 2023

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

Notes:

- (1) Pursuant to the requirements under the Rules of Shareholders' Meeting of Listed Companies of the China Securities Regulatory Commission, independent directors shall issue a work report at the annual general meeting. Such report will be submitted to the general meeting for consideration but not for Shareholders' approval. The 2022 work report of independent Directors of the Company will be set out in this circular for Shareholders' information.
- (2) 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 Hong Kong Listing Rules. The results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Hong Kong Listing Rules.
- (3) Each H Shareholder who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the AGM. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing. In case that an appointor 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 authorized. 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 authorization, 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 authorization must be delivered to the Company's H Share registrar at the address stated in note (8) below by post or facsimile (for H Shareholders only), not later than 1:00 p.m. on Thursday, 8 June 2023 (or if the AGM is adjourned, not less than 24 hours before the time appointed for holding the adjournment AGM (as the case may be)). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the AGM or any adjournment should he/she so wish.
- (4) In order to determine the list of H Shareholders who will be entitled to attend and vote at the AGM, the register of members of H Shares of the Company will be closed from Tuesday, 6 June 2023 to Friday, 9 June 2023 (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 at 4:30 p.m. on Monday, 5 June 2023 shall be entitled to attend and vote at the AGM. In order for the H Shareholders to qualify for attending and voting at the AGM, 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 Monday, 5 June 2023.
- (5) Shareholders or their proxies must present proof of their identities upon attending the AGM. 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.
- (6) 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 appointor, 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 AGM.

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- (7) 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

- (8) 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) 379 6860 3993
Facsimile No.: (+86) 379 6865 8017

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

* *For identification purposes only*