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METALLURGICAL CORPORATION OF CHINA LTD. *

中國冶金科工股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1618)

**POTENTIAL CONNECTED TRANSACTION
ACQUISITION OF 50% EQUITY INTEREST IN MCC MINGHENG**

The Board hereby announces that MCC Real Estate, a wholly-owned subsidiary of the Company, intends to acquire 50% equity interest in MCC Mingheng from Minmetals Trust at a consideration to be determined with reference to prior estimate of the value of MCC Mingheng as at 31 December 2019, which is expected to be not more than RMB42.1412 million. As at the date of this announcement, MCC Mingheng is owned as to 50% by MCC Real Estate and 50% by Minmetals Trust. Upon the completion of the Proposed Transaction, MCC Real Estate will hold 100% equity interest in MCC Mingheng.

MCC Real Estate will subsequently enter into an equity transfer agreement with Minmetals Trust in order to formulate the terms of the Proposed Transaction, and the Company will make further announcements on the details of the Proposed Transaction as and when appropriate.

Minmetals Trust, as a non-wholly owned subsidiary of China Minmetals (the indirect controlling shareholder of the Company), is a connected person of the Company. As such, the Proposed Transaction will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Proposed Transaction are expected to be more than 0.1% but all to be less than 5%, the Proposed Transaction will be subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

I. PROPOSED TRANSACTION

The Board hereby announces that MCC Real Estate, a wholly-owned subsidiary of the Company, intends to acquire 50% equity interest in MCC Mingheng from Minmetals Trust. Upon the completion of the Proposed Transaction, MCC Real Estate will hold 100% equity interest in MCC Mingheng.

The consideration of the Proposed Transaction will be determined with reference to the prior estimate of value of the total equity interest of MCC Mingheng as at 31 December 2019, being RMB84.2824 million, prepared by an independent third-party valuer using an asset-based approach. Therefore, the consideration for the acquisition of 50% equity interest in MCC Mingheng is expected to be not more than RMB42.1412 million, which will be paid by MCC Real Estate in cash.

MCC Real Estate will subsequently sign an equity transfer agreement with Minmetals Trust to formulate the terms of the Proposed Transaction, and the Company will make further announcements on the details of the Proposed Transaction as and when appropriate.

II. INFORMATION ON MCC MINGHENG

MCC Mingheng was established in June 2016 with a registered capital of RMB60 million. As at the date of this announcement, each of Minmetals Trust and MCC Real Estate had contributed RMB30 million (fully paid) in cash and thus held 50% of equity interests in MCC Mingheng. MCC Mingheng is principally engaged in real estate development, sales of self-developed commercial housing, property management, real estate information consulting, and house leasing. MCC Mingheng is mainly responsible for the development of the MCC Yijing Mansion Project, which is located in the Hengqin New District of Zhuhai City. It is a low-density residential project with an area of approximately 169,300 square meters, and the total construction area is not more than 227,800 square meters, with a comprehensive plot ratio of 1.35.

Based on the financial statements prepared by MCC Mingheng in accordance with the China Accounting Standards for Business Enterprises, as at 31 December 2019, (a) its total assets amounted to approximately RMB7.91 billion; (b) its total liabilities amounted to approximately RMB7.846 billion; (c) its owner's equity amounted to RMB63.7762 million; and (d) its total profit and net profit for the year ended 31 December 2019 were RMB5.0317 million and RMB3.7638 million, respectively.

III. REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

Recently, Minmetals Trust intends to withdraw from the subsequent development and construction of the MCC Yijing Mansion Project. MCC Real Estate, being a shareholder of MCC Mingheng, is well-satisfied with the economic indicators of the MCC Yijing Mansion Project. In addition, upon acquisition of 50% equity interest in MCC Mingheng, MCC Mingheng will be wholly-owned by MCC Real Estate and will improve the efficiency and quality of decision-makings which is conducive to the smooth progress of MCC Yijing Mansion Project and will further release the project revenue. Therefore, MCC Real Estate intends to acquire 50% equity interest in MCC Mingheng from Minmetals Trust.

IV. LISTING RULES IMPLICATIONS

Minmetals Trust, as a non-wholly owned subsidiary of China Minmetals (the indirect controlling shareholder of the Company), is a connected person of the Company. As such, the Proposed Transaction will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Proposed Transaction are expected to be more than 0.1% but all to be less than 5%, the Proposed Transaction will be subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

V. GENERAL INFORMATION

The Group and MCC Real Estate

The Group has strong capabilities in metallurgical engineering. It is a large multinational conglomerate operating in various specialized fields across different industries, with engineering contracting, property development, equipment manufacturing and resources development as its principal businesses.

MCC Real Estate, a wholly-owned subsidiary of the Company, is principally engaged in real estate development, sales of commercial housing, real estate information consulting, commissioned property management, project investment and other businesses.

Minmetals Trust

Minmetals Trust is a non-wholly-owned subsidiary of China Minmetals, which is a non-bank financial institution specialized in trust business under China Minmetals Corporation.

VI. DEFINITIONS

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

“Board”	the board of Directors
“China Minmetals”	China Minmetals Corporation* (中國五礦集團有限公司), a state wholly-owned enterprise established in the PRC under the direct control of the State-owned Assets Supervision and Administration Commission of the State Council and an indirect controlling shareholder of the Company
“Company”	Metallurgical Corporation of China Ltd.* (中國冶金科工股份有限公司), a joint stock limited company with limited liability incorporated under the laws of the PRC on 1 December 2008
“connected persons(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MCC Mingheng”	Zhuhai MCC Mingheng Real Estate Co., Ltd.* (珠海中冶名恒置業有限公司), a company with limited liability established in the PRC and is owned as to 50% by MCC Real Estate and 50% by Minmetals Trust as at the date of this announcement
“MCC Real Estate”	MCC Real Estate Group Co., Ltd.* (中冶置業集團有限公司), a company with limited liability established in the PRC and a wholly-owned subsidiary of the Company
“MCC Yijing Mansion Project”	MCC Yijing Mansion Project* (中冶逸璟公館項目), a low-density residential project in Hengqin New District, Zhuhai, PRC

“Minmetals Trust”	Minmetals International Trust Co., Ltd.* (五礦國際信託有限公司), a company with limited liability established in the PRC, a non-wholly owned subsidiary of China Minmetals and a connected person of the Company
“PRC”	the People’s Republic of China and for the sole purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Transaction”	the proposed acquisition of 50% equity interest in MCC Mingheng by MCC Real Estate from Minmetals Trust
“RMB”	Renminbi, the lawful currency of the PRC
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

By order of the Board
Metallurgical Corporation of China Ltd. *
Zeng Gang
Joint Company Secretary

Beijing, the PRC
31 March 2020

As at the date of this announcement, the Board comprises two executive Directors: Mr. Guo Wenqing and Mr. Zhang Zhaoxiang; four independent non-executive Directors: Mr. Zhou Jichang, Mr. Yu Hailong, Mr. Ren Xudong and Mr. Chan Ka Keung, Peter; and one non-executive Director: Mr. Lin Jinzhen.

* For identification purposes only