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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)

**CONNECTED TRANSACTION
JOINT PARTICIPATION IN PPP PROJECTS
WITH MINMETALS KINGDON**

Reference is made to the announcement of the Company dated 20 January 2020 that MCC Urban Investment, a subsidiary of the Company, proposed to form the Consortium with Minmetals Kingdon to jointly participate in the open tendering and bidding for the PPP Projects (including the People's Hospital Project and the TCM Hospital Project) located in Wuchuan, Guangdong Province, and proposed to establish two project companies with the investment representative of Wuchuan Government to implement the corresponding projects upon winning the bid, respectively.

The Board announced that the Consortium has confirmed the bid-winning of the PPP Projects. On 20 April 2020, the Consortium entered into the People's Hospital Shareholders' Agreement with the People's Hospital and agreed on the relevant arrangements for the establishment of the People's Hospital Company. The registered capital of the People's Hospital Company amounts to RMB213.4 million, and the cap of the direct and indirect capital contribution to be made by MCC Urban Investment amounts to RMB85.36 million, with an aggregate shareholding of not more than 40%. On 17 April 2020, the Consortium entered into the TCM Hospital Shareholders' Agreement with the TCM Hospital and agreed on the relevant arrangements for the establishment of the TCM Hospital Company. The registered capital of the TCM Hospital Company amounts to RMB50 million, and the cap of the direct and indirect capital contribution to be made by MCC Urban Investment amounts to RMB17.50 million, with an aggregate shareholding of not more than 35%.

Minmetals Kingdon, as a subsidiary of China Minmetals (the indirect controlling shareholder of the Company), is a connected person of the Company. The Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the relevant transactions are more than 0.1% but less than 5%, the Transactions 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. BACKGROUND

Reference is made to the announcement of the Company dated 20 January 2020 that MCC Urban Investment, a subsidiary of the Company, proposed to form the Consortium with Minmetals Kingdon to jointly participate in the open tendering and bidding for the PPP Projects (including the People's Hospital Project and the TCM Hospital Project) located in Wuchuan, Guangdong Province, and proposed to establish two project companies with the investment representative of Wuchuan Government to implement the corresponding projects upon winning the bid, respectively.

The Board announced that the Consortium has confirmed the bid-winning of the PPP Projects. On 20 April 2020, MCC Urban Investment and Minmetals Kingdon entered into the People's Hospital Shareholders' Agreement with the People's Hospital, and on 17 April 2020 entered into the TCM Hospital Shareholders' Agreement with the TCM Hospital.

II. PEOPLE'S HOSPITAL SHAREHOLDERS' AGREEMENT

The Consortium entered into the People's Hospital Shareholders' Agreement with the People's Hospital and agreed on the relevant arrangements for the establishment of the People's Hospital Company. The main terms of the People's Hospital Shareholders' Agreement are as follows:

Parties : (1) MCC Urban Investment
(2) Minmetals Kingdon
(3) People's Hospital

Date : 20 April 2020

Particulars of People's Hospital Company : 1. Place of registration: Wuchuan City, Guangdong Province, the PRC

2. Business Scope: (1) investment, financing, construction, operation, and transfer of the People's Hospital Project; (2) management and maintenance of facilities of the People's Hospital Project; and (3) other businesses approved by the People's Government of Zhanjiang City or the People's Government of Wuchuan City, subject to the registration with the administration for industry and commerce.

Shareholding structure and contribution plan

: The registered capital of People's Hospital Company amounts to RMB213.4 million, of which:

1. cash contribution of RMB42.68 million is made by People's Hospital, representing 20% shareholding;
2. cash contribution of RMB64.02 million is made by MCC Urban Investment, representing 30% shareholding;
3. cash contribution of RMB106.7 million is made by Minmetals Kingdon, representing 50% shareholding.

As disclosed in the announcement dated 20 January 2020, Minmetals Kingdon will make contribution by way of the establishment of a special fund, MCC Urban Investment will subscribe for the special fund established by Minmetals Kingdon with a cap of RMB21.34 million, accounting for 20% of the special fund of Minmetals Kingdon and thus indirectly holding 10% of the shareholding of People's Hospital Company. To sum up, MCC Urban Investment proposes to make a total capital contribution with a cap of RMB85.36 million directly and indirectly in People's Hospital Company with an aggregate direct and indirect shareholding of not more than 40%. The Group intends to make capital contribution to People's Hospital Company with its own funds.

III. TCM HOSPITAL SHAREHOLDERS' AGREEMENT

The Consortium entered into the TCM Hospital Shareholders' Agreement with the TCM Hospital and agreed on the relevant arrangements for the establishment of the TCM Hospital Company. The main terms of the TCM Hospital Shareholders' Agreement are as follows:

- Parties** : (1) MCC Urban Investment
(2) Minmetals Kingdon
(3) TCM Hospital
- Date** : 17 April 2020
- Particulars of TCM Hospital Company** : 1. Place of registration: Wuchuan City, Guangdong Province, the PRC
2. Business Scope: (1) investment, financing, construction, operation, and transfer of the TCM Hospital Project; (2) management and maintenance of facilities of the TCM Hospital Project; and (3) other businesses approved by the People's Government of Zhanjiang City or the People's Government of Wuchuan City, subject to the registration with the administration for industry and commerce.
- Shareholding structure and contribution plan** : The registered capital of TCM Hospital Company amounts to RMB50 million, of which:
1. cash contribution of RMB10 million is made by TCM Hospital, representing 20% shareholding;
2. cash contribution of RMB15 million is made by MCC Urban Investment, representing 30% shareholding;
3. cash contribution of RMB25 million is made by Minmetals Kingdon, representing 50% shareholding.

As disclosed in the announcement dated 20 January 2020, Minmetals Kingdon will make contribution by way of the establishment of a special fund, MCC Urban Investment will subscribe for the special fund established by Minmetals Kingdon with a cap of RMB2.5 million, accounting for 10% of the special fund of Minmetals Kingdon and thus indirectly holding 5% of the shareholding of TCM Hospital Company. To sum up, MCC Urban Investment proposes to make a total capital contribution with a cap of RMB17.50 million directly and indirectly in TCM Hospital Company with an aggregate direct and indirect shareholding of not more than 35%. The Group intends to make capital contribution to TCM Hospital Company with its own funds.

IV. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Company implements the People's Hospital Project and TCM Hospital Project with the PPP mode, which is of great significance to the development of the South China market of the Group, and can also achieve greater returns.

The Directors (including the independent non-executive Directors) are of the view that the Transactions are entered into on normal commercial terms in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its shareholders as a whole. As Mr. Guo Wenqing, Mr. Zhang Zhaoxiang and Mr. Lin Jinzhen hold positions in China Minmetals or its subsidiaries, they have abstained from voting on the resolutions of the Board to approve the Transactions.

V. GENERAL INFORMATION

The Group and MCC Urban Investment

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

MCC Urban Investment is a wholly-owned subsidiary of the Company, which is primarily engaged in infrastructure construction, project investment and operation, comprehensive urban development and other businesses, and is a large-scale mixed ownership reform enterprise established by the Group to actively promote the deepening reform of central enterprises.

Minmetals Kingdon

Minmetals Kingdon is a subsidiary of China Minmetals, which is primarily engaged in investment management, equity investment, entrusted management of equity investment fund and financial advisory business.

VI. LISTING RULES IMPLICATIONS

Minmetals Kingdon, as a subsidiary of China Minmetals (the indirect controlling shareholder of the Company), is a connected person of the Company. The Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the relevant transactions are more than 0.1% but less than 5%, the Transactions will be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

VII. DEFINITIONS

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

“Board”	the board of Directors of the Company
“China Minmetals”	China Minmetals Co., Ltd.* (中國五礦集團有限公司), a wholly state-owned enterprise established in the PRC under the direct control of the State-owned Assets Supervision and Administration Commission of the State Council, and the indirect controlling shareholder of the Company
“Consortium”	the consortium formed by MCC Urban Investment and Minmetals Kingdon to participate in the open tendering and bidding of the PPP Projects
“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 person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto 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 Urban Investment”	MCC Urban Investment Holding Co., Ltd.* (中冶城市投資控股有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“Minmetals Kingdon”	Minmetals Kingdon Equity Investment Fund Management Co., Ltd.* (五礦金通股權投資基金管理有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of China Minmetals
“PPP Projects”	the People’s Hospital Project and the TCM Hospital Project
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“People’s Hospital”	Wuchuan People’s Hospital, a comprehensive Class II Level A hospital integrating medical treatment, education, scientific research, and preventive care, located in Wuchuan City, Guangdong Province, the PRC
“People’s Hospital Company”	MCC Urban Investment People’s Hospital Investment (Wuchuan) Co., Ltd.* (中冶城投人民醫院投資(吳川)有限公司) (the specific name is subject to the name registered with the administration for industry and commerce), the project company to be established by the Consortium and the People’s Hospital
“People’s Hospital Project”	the relocation and construction project of Wuchuan People’s Hospital
“People’s Hospital Shareholders’ Agreement”	shareholders’ agreement entered into by the Consortium and the People’s Hospital for the establishment of the People’s Hospital Company on 20 April 2020

“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“TCM Hospital”	Wuchuan Hospital of Traditional Chinese Medicine, a Class II Level A hospital integrating medical treatment, emergency treatment, health care, rehabilitation, and scientific research, located in Wuchuan City, Guangdong Province, the PRC
“TCM Hospital Company”	MCC Urban Investment TCM Hospital Investment (Wuchuan) Co., Ltd.* (中冶城投中醫院投資(吳川)有限公司) (the specific name is subject to the name registered with the administration for industry and commerce), the project company to be established by the Consortium and the TCM Hospital
“TCM Hospital Project”	the overall relocation and construction project of Wuchuan Hospital of Traditional Chinese Medicine
“TCM Hospital Shareholders’ Agreement”	shareholders’ agreement entered into by the Consortium and the TCM Hospital on 17 April 2020
“Wuchuan Government”	People’s Government of Wuchuan City, Guangdong Province, the PRC
“Transactions”	joint investment in PPP Projects by MCC Urban Investment and Minmetals Kingdon

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

Beijing, the PRC
20 April 2020

As at the date of this announcement, the Board of the Company 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