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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)

FURTHER ANNOUNCEMENT ON THE ACQUISITION OF 50% EQUITY INTEREST IN MCC MINGHENG

Reference is made to the announcement of Metallurgical Corporation of China Ltd.* (the “**Company**”) dated 21 April 2020 (the “**Announcement**”), in relation to the proposed acquisition of 50% equity interest in Zhuhai MCC Mingheng Real Estate Co., Ltd.* (珠海中冶名恒置業有限公司) (“**MCC Mingheng**”) by MCC Real Estate Group Co., Ltd.* (中冶置業集團有限公司) (“**MCC Real Estate**”), a wholly-owned subsidiary of the Company. Unless otherwise required by the context, the terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the consideration of the Transaction is RMB36,511,839.96 (the “**Transaction Consideration**”). The Transaction Consideration was determined by both parties after negotiation with reference to the net assets value of MCC Mingheng as at 31 December 2019 (the “**Benchmark Date**”) appraised by an independent third-party valuer, with the adjustment by deducting the profit distribution of MCC Mingheng subsequent to the Benchmark Date. An asset-based approach was adopted in the valuation. The appraised net assets value of MCC Mingheng as at the Benchmark Date was RMB84.2824 million and the corresponding appraised net assets value attributable to the 50% equity interest in MCC Mingheng was RMB42.1412 million.

MCC Mingheng was established in June 2016, and obtained the land use rights of the land lot for development of the MCC Yijing Mansion Project in June 2017 through tender, auction or listing for sale process. From June 2017 to 31 December 2018, as the MCC Yijing Mansion Project was under development, relevant expenditures arising from the operating activities of MCC Mingheng were classified into development costs, and therefore, during the financial year ended 31 December 2018, both of the total profit and net profit of MCC Mingheng were nil.

MCC Mingheng is principally responsible for the development of the MCC Yijing Mansion Project, which is located in Hengqin New District of Zhuhai City. Taking into consideration the clear trend of the “Integration” of Macau and Hengqin, low-density residential projects are particularly scarce in the region. The total assets of the MCC Yijing Mansion Project as at the Benchmark Date were approximately RMB7.91 billion. The sales activities of Phase I of the MCC Yijing Mansion Project commenced in 2019, the completion and delivery of Phase I are expected to take place in June 2020; while the pre-sale permits for Phase II are expected to be obtained in the second half of 2020. For the sales of Phase I, it had recorded an accumulative contracted sale amount of RMB1.8 billion and had received payment of RMB1.05 billion as at the Benchmark Day. In particular, the contracted sale in December 2019 amounted to over RMB670 million, with a received amount of RMB350 million. Such sales proceeds will be retained by MCC Mingheng for future development. The MCC Yijing Mansion Project is beneficial for improving the Company’s competitiveness in the Guangdong-Hong Kong-Macau Greater Bay Area and will contribute to the improvement of the Company’s profitability and better realize the value maintenance and appreciation of the state-owned assets of the Company.

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

Beijing, the PRC
29 April 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. Ng, Kar Ling Johnny; and one non-executive Director: Mr. Lin Jinzhen.

* *For identification purpose only*