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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)

DISCLOSEABLE TRANSACTION TRANSFER OF ASSET INCOME RIGHTS

The Company hereby announces that Zhuhai MCC Real Estate, a subsidiary of the Company, entered into the Asset Income Rights Transfer Contract with Zhuhai Branch of CCB and Zhuhai Shizimen on 25 November 2014, pursuant to which the asset income rights of RMB4,000 million (equivalent to approximately HK\$5,040 million) of Zhuhai Shizimen under BT Contract held by Zhuhai MCC Real Estate was proposed to be transferred to Zhuhai Branch of CCB. Zhuhai Branch of CCB will launch an “Asset Income Rights Investment Management Plan” (資產收益權投資理財計劃). Acting as a trustee of the management plan, it will raise wealth management proceeds and will be invested into the repurchase of consideration receivable of the BT project construction under the Asset Income Rights Transfer Contract.

Since certain applicable percentage ratios are more than 5% but are less than 25%, the transfer of the asset income rights constitutes a discloseable transaction for the Company under Chapter 14 of the Hong Kong Listing Rules, and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

INTRODUCTION

The Company hereby announces that Zhuhai MCC Real Estate, a subsidiary of the Company, entered into the Asset Income Rights Transfer Contract with Zhuhai Branch of CCB and Zhuhai Shizimen on 25 November 2014, pursuant to which the asset income rights of RMB4,000 million (equivalent to approximately HK\$5,040 million) of Zhuhai Shizimen under BT Contract held by Zhuhai MCC Real Estate was proposed to be transferred to Zhuhai Branch of CCB. Zhuhai Branch of CCB will launch an “Asset Income Rights Investment Management Plan” (資產收益權投資理財計劃). Acting as a trustee of the management plan, it will raise wealth management proceeds and will be invested into the repurchase of consideration receivable of the BT project construction under the Asset Income Rights Transfer Contract.

ASSET INCOME RIGHTS TRANSFER CONTRACT

Particulars of the Asset Income Rights Transfer Contract are as follows:

Date: 25 November 2014

Transferor (Party B): Zhuhai MCC Real Estate Co., Ltd.

Transferee (Party A): Zhuhai Branch of China Construction Bank Corporation

Debtor (Party C): Zhuhai Shizimen Central Business District Development Holdings Co. Ltd.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Zhuhai Branch of China Construction Bank Corporation, Zhuhai Shizimen Central Business District Development Holdings Co. Ltd. and their respective beneficial owners are third parties independent of the Company and its connected persons.

TARGET DEBT, CONSIDERATION AND PAYMENT ARRANGEMENT

The subject matter of the transaction refers to the asset income rights in relation to part of the repurchase consideration receivable of the BT project construction of RMB4,000 million (equivalent to approximately HK\$5,040 million) of Zhuhai Shizimen held by Zhuhai MCC Real Estate. The debtor is Zhuhai Shizimen. For the two years ended 31 December 2012, 31 December 2013 and the six months ended 30 June 2014, the relevant asset income rights did not contribute any net profit to the Company. As at the date of this announcement, the asset value of the relevant asset income rights indicated in the balance sheet of the Group was RMB4,000 million (equivalent to approximately HK\$5,040 million).

The construction of the BT project for Phase 1 of Convention and Business Complex of Zhuhai Shizimen CBD was undertaken by Shanghai Baoye, a wholly owned subsidiary of the Company; it mainly includes seven individual projects, namely apartment hotel, international exhibition center, city commercial ribbon, international convention center, Sheraton Hotel, landmark tower and outdoor complex. Until now, physical inspection and acceptance of the projects of apartment hotel, international exhibition center, city commercial ribbon, international convention center and outdoor complex have been completed, while inspection and acceptance of Sheraton Hotel project and the landmark tower project were expected to be completed within this year and before the end of June 2016, respectively.

The consideration for the asset income rights to transfer amounts to RMB4,000 million (equivalent to approximately HK\$5,040 million). Such consideration was determined in accordance with the amount of the repurchase consideration of the transferred BT project. Zhuhai MCC Real Estate will transfer the aforementioned asset income rights by installment, and the first batch of which amounted to RMB3,200 million (equivalent to approximately HK\$4,032 million). Zhuhai Branch of CCB will pay the consideration in cash after all the conditions precedent are satisfied. The amount received from the transfer of the asset income rights shall be mainly for the repayment of bank borrowing and for subsequent construction of the BT project. Zhuhai Shizimen will pay the interest to Zhuhai Branch of CCB in relation to the above consideration upon completion of the transfer of the asset income rights.

The asset income rights will be transferred to Party A from Party B at the closing date. The transaction of the asset income rights are subject to, among others, the following conditions precedent:

- (1) Party C agrees that Party B pays back all the outstanding principal and interest of the loan before maturity, and releases the pledge over the repurchase consideration receivable of the construction of the BT project.
- (2) Party B obtains the legal authorization on this transfer and the approval from the decision-making authority of Party B.
- (3) Party A, Party B and Party C enter into the Agreement on Fund Supervision and Management (《資金監管協議》), pursuant to which, accounts will be opened by Party A for supervision and management of the repurchase consideration and construction consideration of BT project, subject to the supervision and management of Party A.
- (4) Before the closing date, Party B and Party C will pledge the land agreed by both parties to Party A, the details of which will in accordance with the agreement in the corresponding Pledge Contract entered into between Party A and Party C, and Party B agrees the contents of the Pledge Contract. Before the full settlement of the assets income rights, Party A has priority over the disposal of the money under the said agreements.
- (5) Before the closing date of each batch, Party A and Party C have entered into the Pledge Contract stipulating the transfer amount of each batch agreed by both parties and have completed the pledge registration.

Where the repurchase consideration receivable of the BT project transferred from Party B does not meet the refuse-to-accept standards for the repurchase consideration receivable of the BT project, the corresponding consideration shall be paid by Party C to Party A unconditionally. In the case that the repurchase consideration receivable of the BT project transferred from Party B meets the refuse-to-accept standards of the repurchase consideration receivable of the BT project, Party C shall inform Party B and Party A in writing promptly. Party B shall perform its redemption liability from Party A within 20 business days from the date of such notice (the call date).

The refuse-to-accept standards for the repurchase consideration receivable of the BT project are as follows:

- (1) pursuant to the BT Contract, the repurchase consideration receivable of the BT project corresponding to the asset income rights is not the legally owned and transferable rights of the Party B, or the repurchase consideration receivable has been transferred to the third parties or secured as external guarantee by Party B;
- (2) there are existing flaws, controversies or disputes over the repurchase consideration receivable of the BT project corresponding to the asset income rights before the transfer;
- (3) as agreed under the BT Contract, there is a suspension or refusal of payment by Party C's failure to satisfy quality assessment as of the closing date, the date which is corresponding to the repurchase consideration of the BT project construction to be transferred under the contract;
- (4) as agreed under the BT Contract, there is a suspension or refusal of payment by Party C because quality defects occur in the construction project finished by Party B as of the closing date, the date which is corresponding to the repurchase consideration of the BT project construction to be transferred under the contract, and such defects are caused by Party B during the quality warranty period (or the defects liability period).

PURPOSE OF THE TRANSACTION AND ITS IMPACT ON THE GROUP

The transaction can help the Group to increase the operating cash inflow, to reduce the amounts receivable and the interest-bearing liabilities, as well as lowering the risk of payment collection. The asset income rights are transferred at its book value, and the Group will not record any one-off gain or loss therefore.

The Directors (including independent non-executive Directors) confirm that the transaction terms of the transfer of the asset income rights are fair and reasonable and are in the interest of the shareholders as a whole.

HONG KONG LISTING RULES IMPLICATIONS AND GENERAL INFORMATION

Since certain applicable percentage ratios are more than 5% but are less than 25%, the transfer of the asset income rights constitutes a discloseable transaction for the Company under Chapter 14 of the Hong Kong Listing Rules, and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

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

China Construction Bank Corporation (“CCB”) is legally established and a legally existing bank. Zhuhai Branch of CCB, the transferee of this transfer transaction, is a branch legally established by CCB and has obtained the legal authorization from CCB to sign the Asset Income Rights Transfer Contract.

Zhuhai Shizimen is a wholly-owned enterprise of State-owned Assets Supervision and Administration Commission of the Municipal Government of Zhuhai. It was incorporated in May 2009 with a registered capital of RMB800 million. It takes full charge of the overall design, primary land development, state-owned land reserve, the construction of municipal infrastructure and key projects as well as investment promotion work in Shizimen Central Business District.

DEFINITIONS

“Board”	means the board of directors of the Company;
“BT Contract”	means the BT construction contract for Phase 1 Project of Convention and Business Complex of Zhuhai Shizimen CBD entered into between Shanghai Baoye and Zhuhai Shizimen, and supplemental agreements entered into between Shanghai Baoye, Zhuhai MCC Real Estate and Zhuhai Shizimen subsequently, including Supplemental Agreement I of the BT construction contract for Phase 1 Project of Convention and Business Complex of Zhuhai Shizimen CBD and Supplemental Agreement II of the BT construction contract for Phase 1 Project of Convention and Business Complex of Zhuhai Shizimen CBD;

“Zhuhai Branch of CCB”	means Zhuhai Branch of China Construction Bank Corporation;
“Company”	means Metallurgical Corporation of China Ltd.*, a joint stock limited company with limited liability incorporated under the laws of the PRC on 1 December 2008;
“Directors”	means the directors of the Company;
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“PRC”	means the People’s Republic of China, and for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Shanghai Baoye”	means Shanghai Baoye Group Co., Ltd., a non-wholly owned subsidiary of the Company;
“Zhuhai Shizimen”	means Zhuhai Shizimen Central Business District Development Holdings Co., Ltd. (珠海十字門中央商務區建設控股有限公司); and

“Zhuhai MCC Real Estate”

means Zhuhai MCC Real Estate Co., Ltd. (珠海中冶置業有限公司), a wholly owned subsidiary of Shanghai Baoye Group Co., Ltd., a non-wholly owned subsidiary of the Company.

Unless otherwise stated in this announcement, all amounts denominated in RMB have been translated into HK\$ at the exchange rate of RMB1.00=HK\$1.26 for information purpose only. Such translation should not be construed as a representation that any amount in RMB has been, could have been or may be converted at the above rate or at all.

By Order of the Board
Metallurgical Corporation of China Ltd.*
Kang Chengye
Company Secretary

Beijing, the PRC

25 November 2014

As at the date of the announcement, the Board of the Company comprises two executive directors: Mr. Guo Wenqing and Mr. Zhang Zhaoxiang; two non-executive directors: Mr. Jing Tianliang and Mr. Lin Jinzhen; and three independent non-executive directors: Mr. Yu Hailong, Mr. Ren Xudong and Mr. Chan Ka Keung Peter.

* *For identification purpose only*