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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)*

**ANNOUNCEMENT**

**(1) CONTINUING CONNECTED TRANSACTIONS  
— ENTERING INTO OF THE NEW FRAMEWORK AGREEMENT  
WITH CHINA MINMETALS**

**AND**

**(2) CONTINUING CONNECTED TRANSACTIONS AND  
MAJOR TRANSACTIONS — ENTERING INTO OF  
THE NEW FINANCIAL SERVICES AGREEMENT WITH  
MINMETALS FINANCE COMPANY**

**I. BACKGROUND**

**ENTERING INTO OF THE NEW FRAMEWORK AGREEMENT WITH  
CHINA MINMETALS**

As the annual cap for each type of the transactions under the Framework Agreement will be expired on 31 December 2024, on 28 March 2024, the Board approved the Company to enter into the New Framework Agreement with China Minmetals, so as to continue to carry out various types of transactions with China Minmetals Group. The New Framework Agreement will be valid for a term of one year, effective from 1 January 2025, subject to the approval by the Independent Shareholders at the annual general meeting. The New Financial Services Agreement will be incorporated into the New Framework Agreement for governance upon its becoming effective.

## **ENTERING INTO OF THE NEW FINANCIAL SERVICES AGREEMENT WITH MINMETALS FINANCE COMPANY**

As the Financial Services Agreement entered into between the Company and Minmetals Finance Company will be expired on 31 December 2024, on 28 March 2024, the Board approved the Company to enter into the New Financial Services Agreement with Minmetals Finance Company, so as to continue to carry out various types of transactions with Minmetals Finance Company. The New Financial Services Agreement will be valid for a term from 1 January 2025 to 31 December 2027, subject to the approval by the Independent Shareholders at the annual general meeting.

## **II. LISTING RULES IMPLICATIONS**

### **ENTERING INTO OF THE NEW FRAMEWORK AGREEMENT WITH CHINA MINMETALS**

China Minmetals, an indirect controlling shareholder of the Company, is a connected person of the Company. As such, the transactions under the New Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the transactions of purchase of materials (income and expenditure) and engineering construction (income) under the New Framework Agreement exceed 5%, such continuing connected transactions are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the transactions of engineering construction (expenditure), production and maintenance (income and expenditure), technological and management services (income and expenditure), property leasing (income and expenditure), asset financing services (total financing amount – factoring), asset financing services (total financing amount – finance lease), asset financing services (financing expenses – factoring), asset financing services (financing expenses – finance lease) and asset financing services (bond underwriting) under the New Framework Agreement exceed 0.1% but are lower than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements but exempted from circular and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the asset financing services (financing expenses – financial assistance) under the New Framework Agreement, China Minmetals Group (excluding Minmetals Finance Company) will provide financial assistance including loans to the Group but the Group will not be required to provide guarantees or pledge of its assets in connection with such credit facilities. Accordingly, pursuant to Rule 14A.90 of the Listing Rules, such asset financing services (financing expenses – financial assistance) are fully exempted from the reporting, annual review, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **ENTERING INTO OF THE NEW FINANCIAL SERVICES AGREEMENT WITH MINMETALS FINANCE COMPANY**

Minmetals Finance Company is a subsidiary of China Minmetals, which is an indirect controlling shareholder of the Company, therefore, Minmetals Finance Company is a connected person of the Company. As such, the transactions under the New Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

With respect to the composite credit facilities services under the New Financial Services Agreement, as one or more of the applicable percentage ratios under the Listing Rules in respect of the maximum daily balance of credit extension exceed 5%, such continuing connected transactions are therefore subject to the reporting, announcement, annual review, circular, and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

With respect to the deposit services under the New Financial Services Agreement, as one or more of the applicable percentage ratios under the Listing Rules in respect of the maximum daily balance of deposits (including accrued interest) exceed 5%, such continuing connected transactions are therefore subject to the reporting, announcement, annual review, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. Moreover, as one or more of the the applicable percentage ratios in respect of the deposit services exceeds 25%, the deposit services under the New Financial Services Agreement also constitute major transactions under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

With respect to the other financial services under the New Financial Services Agreement, as all the applicable percentage ratios under the Listing Rules in respect of the annual caps for these transactions are lower than 0.1%, such continuing connected transactions are therefore exempted from the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **III. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the matters in this announcement.

The Company will appoint Gram Capital Limited (a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity (under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) as the independent financial adviser which shall advise the Independent Board Committee and the Independent Shareholders in relation to the annual caps that shall be submitted to the annual general meeting for consideration as set out in this announcement.

### **IV. DESPATCH OF CIRCULAR**

The Company will seek approval from the Independent Shareholders in respect of the matters in this announcement at the forthcoming annual general meeting. A circular containing, details of the matters in this announcement, a letter from the Independent Board Committee and a letter from the independent financial adviser (both containing advice on the matters in this announcement) is expected to be despatched to the Shareholders in accordance with the Listing Rules. The Company will despatch the circular to the Shareholders on or before 27 May 2024 as additional time is required to prepare and finalize certain information for inclusion in the circular. If there is expected to be a delay in the despatch of the circular, a further announcement will be published by the Company in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular. In view of China Minmetals' interests in the matters in this announcement, CMGC, an associate of China Minmetals, will abstain from voting to approve the matters in this announcement at the annual general meeting.

## **I. ENTERING INTO OF THE NEW FRAMEWORK AGREEMENT WITH CHINA MINMETALS**

### **(I) BACKGROUND**

As the annual cap for each type of the transactions under the Framework Agreement will be expired on 31 December 2024, on 28 March 2024, the Board approved the Company to enter into the New Framework Agreement with China Minmetals, so as to continue to carry out various types of transactions with China Minmetals Group. The New Framework Agreement will be valid for a term of one year, effective from 1 January 2025, subject to the approval by the Independent Shareholders at the annual general meeting. The New Financial Services Agreement will be incorporated into the New Framework Agreement for governance upon their becoming effective.

### **(II) MAJOR TERMS**

#### ***Parties:***

- (1) The Company; and
- (2) China Minmetals

#### ***Transaction types:***

Pursuant to the New Framework Agreement, the Group and China Minmetals Group will continue to conduct various types of transactions, including but not limited to purchase of materials, engineering construction, asset financing services, production and maintenance services, technological and management services, property leasing and financial services (i.e. the type of subject transactions under the New Financial Services Agreement). The signing of the New Framework Agreement will not prejudice the right of either party to select transaction counterparty or conduct similar transactions with third parties. Details of each type of the transactions under the New Framework Agreement include but not limited to the following:

#### ***(1) Purchase of materials***

The Group will, as a purchaser, purchase steel from China Minmetals Group, and as a supplier, sell mineral products to China Minmetals Group. The Group will also sell and purchase the equipment necessary for general construction contracting and production and operation from China Minmetals Group. The abovementioned suppliers of materials shall also provide relevant logistics services in relation to the materials supplied, including logistics, storage, land transportation and other services.

(2) *Engineering construction*

The Group will, as a contractor, provide engineering construction services to China Minmetals Group, including engineering services of engineering, procurement and construction (EPC) and public-private partnership (PPP) projects. In addition, given the regional advantages of the specialized subsidiaries of China Minmetals in certain areas, and their professional construction qualifications and unique technological advantages in nonferrous mining and smelting engineering construction fields, the Group will subcontract part of the construction work secured in such areas and fields to the specialized subsidiaries of China Minmetals.

(3) *Asset financing services*

Asset financing services include factoring services, finance lease services, bond underwriting services and financial assistance provided to the Group by China Minmetals Group (excluding Minmetals Finance Company). The details are as follows:

- (i) China Minmetals Group (excluding Minmetals Finance Company) will provide factoring services (mainly including factoring services for accounts receivable) to the Group. The factoring services will be conducted by way of the transfer by the Group of its accounts receivable to China Minmetals Group and the provision of financing by China Minmetals Group to the Group in an amount which is equivalent to a particular percentage of the amount of the accounts receivable. The factoring period will be determined based on, among others, the due date of the transferred accounts receivable, the financial demand of the Group and the available capital of China Minmetals Group. Such factoring periods normally shall not go beyond the due date of the transferred accounts receivable.
- (ii) China Minmetals Group (excluding Minmetals Finance Company) will provide finance lease services to the Group, including direct leasing services and sale and leaseback services. Direct leasing refers to the direct purchase by China Minmetals Group of new equipment necessary for the Group's operation and the lease of the same by China Minmetals Group to the Group for use. Sale and leaseback refers to the purchase of equipment by China Minmetals Group from the Group and the leaseback of the same to the Group for use. The lease period will be determined based on, among others, the useful life of the relevant leased equipment, the financial demand of the Group and the available capital of China Minmetals Group. Such lease periods normally do not go beyond the useful life of the leased equipment.

- (iii) China Minmetals Group (excluding Minmetals Finance Company) will provide bond underwriting services (including but not limited to asset-backed securities and asset-backed notes, etc.) to the Group.
- (iv) China Minmetals Group (excluding Minmetals Finance Company) will provide financial assistance to the Group, which include loans, and the Group is not required to provide guarantee or pledge of its assets for such credit extension services.

(4) *Production and maintenance services*

Both China Minmetals Group and the Group may, as a production and maintenance services provider, provide maintenance services for equipment, spare parts, and production and operation to each other.

(5) *Technological and management services*

- (i) The Group and China Minmetals Group will provide various technological and management services to each other, including power audit, environmental check; the exploration of mines and ore reserves, the observation for the transformation of tailing pond projects, the exploration of geotechnical engineering, the emission, heightening and ground treatment of tailing ponds, topographical survey of mines and mining areas; informationalized consulting and software development; consulting on investment decision, construction exploration, design, supervision, tender agency, project management, consulting on building costs of projects and financial advisory services; physical check-up and insurance services required for the sake of health and safety of employees; logistics and transport services not based on procurement; scientific research related services, etc.
- (ii) China Minmetals Group will provide financial advisory services to the Group as a service provider, which mainly refers to the provision of advisory services in relation to the bond issuance of the Group.
- (iii) The Group will provide scientific research related services to China Minmetals Group as a service provider, which mainly refers to scientific research, professional technical services, technology promotion, technology consultation, technology training, technology incubation, technology evaluation and other scientific and technological services, and the transfer or accepting of achievements of projects of scientific research.

*(6) Property leasing*

Either China Minmetals Group and the Group may, as a lessee, lease properties such as real estate and land from each other at market prices or purchase property-related services provided by the other party.

Upon the New Framework Agreement becoming effective, the property leasing agreement dated 25 December 2023 entered into between CMGC and the Company, and the property services contract dated 15 December 2021 entered into between CMGC and MCC Real Estate Group Co., Ltd., a subsidiary of the Company, will be incorporated into the New Framework Agreement for governance.

***Pricing of the transactions:***

Pursuant to the New Framework Agreement, with respect to the materials and services provided to the Group by China Minmetals Group, China Minmetals has undertaken that it will not and will procure its subsidiaries not to provide relevant materials and services to the Group on terms which are less favourable than those offered to third parties. Details of the pricing principles for each type of the transactions under the New Framework Agreement are as follows:

*(1) Purchase of materials*

The suppliers and prices of steel and equipment will be determined through open tender method of the purchaser and the result of successful bid will be publicly announced on the website of the purchase platform operated by the purchaser. Upon winning the bid, both parties will enter into a specific purchase contract, in which the payment arrangement on the purchase price, generally including prepayments, payments upon goods delivery and completion of inspection and acceptance and quality guarantee deposits, will be specified.

The selling price of resource products offered by the Group to China Minmetals Group will be determined by both parties through negotiation on the basis of the prevailing price of bulk raw materials in international market (mainly with reference to the prevailing price of relevant bulk raw materials announced by The London Metal Exchange (“LME”). Payment schedule arrangement will be confirmed in the contract in accordance with international practice.

The prices of logistics and warehousing will be determined through negotiation with reference with market prices. Both parties will specify the payment arrangement in the specific purchase contract.



(2) *Engineering construction*

The price of engineering construction projects will be determined through open bid and tender method. Pursuant to the relevant laws and regulations for bidding and tendering in China, the bidding and tendering results and prices of state-owned projects on state-owned investment projects and those engineering construction projects related to the national economy and the people's livelihood will be announced on the website of the platform of bidding and tendering. Upon winning the bid, both parties will enter into a specific construction contract, in which the payment arrangement on the construction price (which the construction price will be paid, include but not limited, according to the progress of a particular project or the completion ratio calculated on a monthly basis) will be specified. Some of those works involve professional qualification constructions, which will be subcontracted by the Group to China Minmetals Group, the parties will enter into subcontract, the contract price of which will be determined on the basis of the agreed price, and the reasonable costs in the agreed price will be calculated based on the actual costs incurred in respect of manpower, materials and machinery (which the construction price will be paid include but not limited, according to the visual progress of a particular project or the completion ratio calculated on a monthly basis).

(3) *Asset financing services*

Interests on factoring services and rent of finance lease services will be determined by both parties through negotiation by reference to the loan prime rate (“LPR”) as announced by the National Interbank Funding Center of the PBOC (中國人民銀行全國銀行間同業拆借中心) and shall not be higher than the financing cost of similar services which the Group may obtain from independent third parties. Interest (in respect of factoring services) and rent (in respect of finance lease services) are generally payable on a quarterly or semi-annual basis and will be agreed in contract to be entered into between the parties.

Underwriting and management fees of bond underwriting services shall not be higher than the underwriting and management fees to be paid by the Group for similar services available from independent third parties, and will be specified in the contract to be entered into by both parties.

Interests on credit services will be determined by both parties through negotiation by reference to the LPR as announced by the National Interbank Funding Center of the PBOC, and shall not be higher than the financing cost of similar services which the Group may obtain from independent third parties. The interests will be generally paid on a monthly or quarterly basis and will be specified in the contract to be entered into by the parties.

*(4) Production and maintenance services*

The provider and price of the production and maintenance services will be determined through open tender method by the purchaser and the bid results will be announced on the website of the purchaser's procurement platform. If the tender is successful, a specific service contract will be entered into between the parties, in which payment arrangements for the price of the services (generally on a monthly, quarterly or yearly basis) will be specified.

*(5) Technological and management services*

The suppliers and prices of technological and management services will be determined through the open tender method of the purchaser, and the result of successful bid will be publicly announced on the website of the purchase platform operated by the purchaser. Upon winning the bid, both parties will enter into a specific service contract, in which the payment arrangement on service price (which will be generally paid on a monthly, quarterly or yearly basis or according to the progress of services provided) will be specified.

The price of the financial consultancy services will be determined through open tender method and payment will be made in accordance with the specific terms of the contract to be entered into between the two parties.

The service price and the payment arrangement of scientific research related services will be determined pursuant to the specified terms of the contract signed by both parties.

*(6) Property leasing*

The rent is determined by both parties through negotiation with reference to the valuation report on the market price of the properties in the same area as the leased properties issued by valuers who are independent third parties. The rent will be generally paid on a quarterly or annual basis and will be specified in the specific leasing contract to be entered into by both parties.

***Term:***

The New Framework Agreement will be valid for a term of one year, effective from 1 January 2025, subject to the approval by the Independent Shareholders at the annual general meeting.

### (III) HISTORICAL DATA

The historical amounts of each type of transactions between the Group and China Minmetals Group (including CMGC) as disclosed above for the two years ended 31 December 2022 and 2023, and for the period from 1 January 2024 to 28 February 2024 are as follows:

*Unit: RMB0'000*

Transaction type	For the year ended 31 December		For the period from 1 January to 28 February
	2022	2023	2024
	Amount incurred	Amount incurred	Amount incurred
<b>Purchase of materials</b>			
Income	309,525	386,905	61,312
Expenditure	1,144,605	1,262,036	106,712
<b>Engineering construction</b>			
Income	361,992	527,778	66,309
Expenditure	37,437	28,036	9,341
<b>Metallurgical and management services</b>			
Income	4,854	12,905	756 <sup>Note 1</sup>
Expenditure	15,722	25,023	2,445 <sup>Note 1</sup>
<b>Property leasing</b>			
Expenditure	9,644	9,853	492
<b>Asset financing services</b>			
	<i>Total financing amount</i>		
Factoring	0	0	0
Finance lease	0	0	0
	<i>Financing expenses</i>		
Financial assistance	1,391	9,885	1,153
Factoring	0	0	0
Finance lease	0	0	0
	<i>Bond underwriting</i>		
Bond underwriting	0	0	0

*Note:*

- 1 The metallurgical and management services category was adjusted to become the technical and management services category since 2024, please refer to the Company's announcement dated 27 March 2023 for further information on these services.

#### (IV) ANNUAL CAPS

The Company estimates that the annual cap for each type of transactions under the New Framework Agreement for the year of 2025 is as follows:

*Unit: RMB0'000*

<b>Transaction type</b>	<b>For the year ending 31 December 2025</b>
<b>Purchase of materials</b>	
Income	630,000
Expenditure	2,320,000
<b>Engineering construction</b>	
Income	1,180,000
Expenditure	240,000
<b>Production and maintenance</b>	
Income	20,000
Expenditure	20,000
<b>Technological and management services</b>	
Income	200,000
Expenditure	250,000
<b>Property leasing</b>	
Income	20,000
Expenditure <sup>Note 1</sup>	60,000
<b>Asset financing services</b>	
	<i>Total financing amount</i>
Factoring	100,000
Finance lease	100,000
	<i>Financing expenses</i>
Financial assistance <sup>Note 2</sup>	100,000
Factoring	6,000
Finance lease	6,000
	<i>Bond underwriting</i>
Bond underwriting	<u>33,000</u>

*Notes:*

1. From 1 January 2019, the annual caps for the continuing connected transactions involving property leasing to which the Group is the lessee will be determined based on the total value of right-to-use assets involved in the property leasing agreements entered into by the Group. Right-to-use assets shall be initially measured at costs, including initially measured amount of lease liability, amount of rental paid on or before the commencement date of lease term, and initial direct expenses incurred by the lessee. Total value of right-to-use assets will be several times of the actual rental for the period.
2. Pursuant to Rule 14A.90 of the Listing Rules, credit extension services are exempted from the reporting, announcement, annual review and Independent Shareholders' approval requirements as the credit extension services constitute financial assistance provided by a connected person for the benefit of the Group on normal commercial terms where no security over the assets of the Group is granted in respect of such financial assistance.

The annual caps for the year ending 31 December 2025 are higher than the historical data, which is mainly due to the fact that suppliers in most of the transactions between the Group and China Minmetals Group, in particular those in relation to sale and purchase of materials and engineering construction, will be selected through the open tender process. The Company is unable to predict whether the Group (if the Group is a bidder) or China Minmetals Group (if China Minmetals Group is a bidder) will win the bid for any particular project, therefore, in estimating the annual caps for the year ending 31 December 2025, the Company has made reference to the existing and expected bidding projects of the Group and China Minmetals Group, assuming that the Group would win the bid for all bidding projects of China Minmetals Group, or China Minmetals Group would win the bid for all bidding projects of the Group, and taken into consideration the estimated amount of the bidding projects as the basis for determining the annual caps. In addition, as certain projects of the Group and China Minmetals Group in previous years have not been carried out as scheduled and are expected to be delayed to the future, therefore, in estimating the annual caps for the year ending 31 December 2025, the Company has also taken these projects into consideration.

## **(V) BASIS OF DETERMINATION OF ANNUAL CAPS**

In determining the annual caps for the transactions of purchase of materials, the Company has mainly made reference to the sale and purchase plan of the Group for each type of materials for the coming year, particularly the demand of construction projects (such as EPC and PPP projects) for steel and equipment, as well as the latest sale and purchase prices of relevant materials on the market. For the sale and purchase of materials by the Group, each subsidiary of the Company has reported to the Company about their annual estimated procurement amounts for steel and equipment in 2025. Such amounts have been estimated by each subsidiary based on their demands for steel and equipment for their bid-winning EPC and PPP projects or the projects for which they intend to participate in the bidding process, and with reference to the recent market prices of such steel and equipment as well as the procurement volume of such steel and equipment in 2023. In determining the market price of steel, the Group has made reference to the recent price and the price trend of different types of steel as published on the website of “Mysteel” ([www.mysteel.com](http://www.mysteel.com)); in determining the market price of equipment, the Group has made reference to the historical transaction price of their procurement of similar equipment. For the sale of materials by the Group, the Company has taken into consideration the demand of China Minmetals Group for resource products and equipment, especially for the demand nickel-related products.

In determining the annual caps for the transactions of engineering construction, the Company has mainly made reference to the investment plan formulated under the strategic development plan of China Minmetals Group and the expected building cost of such engineering projects for which the Group intends to participate in the bidding process, and such building cost has been estimated with reference to the investment amount of similar projects within the same region.

In determining the annual caps for factoring services and finance lease services, the Company has considered the future business development plan of the Group and the demand for factoring services and finance lease services from China Minmetals Group in the Group’s daily operation and development; the current condition of the financing market, interest rate level and potential adjustment to the RMB benchmark loan prime rate (LPR) to be made by the PBOC; the nature and value of the accounts receivable and leased assets; and the due date of accounts receivable and estimated useful life of leased assets.

In determining the annual caps for bond underwriting services, the Company has made reference to the bond issuance plan of the Group for the coming year (including short-term financing bills, extra-short-term financing bills, medium-term notes, corporate bonds, enterprise bonds, asset-backed notes, asset-backed securities and other types of bonds in the bond market), and the demand of the Group for the bond underwriting services from China Minmetals Group; the current capital condition of the bond market, interest rate level, potential adjustment to the RMB benchmark loan prime rate (LPR) to be made by the PBOC, and possibility of launching new bond products in the future.

In determining the annual caps for technological and management services, the Company has made reference to the plan of construction projects in which China Minmetals Group intends to invest as well as the service proposals on the relevant projects as reported to the Company by its subsidiaries, estimated the labour hours based on the labour hours spent on the similar historical construction projects and the estimated construction process of the relevant projects, and estimated the labor unit price and the caps with reference to the price for the provision of similar services to other customers.

In determining the annual caps for property leasing, the Company has considered the historical rent and historical property service fees paid by the Group to China Minmetals Group, the Group's demand for renting the relevant units in MCC Tower and China Minmetals Group, and the prevailing and expected market rent and property services fees, and has also considered the historical rent and historical property service fees paid by China Minmetals Group to the Group, China Minmetals Group's demand for renting the houses from the Group, and the prevailing and expected market rent and property services fees.

## **(VI) PRICING AND INTERNAL CONTROL PROCEDURES**

In order to ensure that the prices and terms of each type of the transactions under the New Framework Agreement will be no less favourable than those entered into between the Group and independent third parties, the Company has adopted the following measures and procedures:

For transactions under the New Framework Agreement of which the suppliers or service providers are determined through the open tender method, if the Group is the tenderer, the Group will invite no less than three entities to participate in the bidding. Relevant business departments of the Group, together with the tender and procurement management center, will establish a tender evaluation committee. The tender evaluation committee will select the suppliers or service providers and determine the transaction

prices with reference to, among others, the previous performance results, bidding prices and service quality of the bidders. The result of successful bid will be submitted to the persons in charge of the relevant business departments of the Group for consideration and approval. If, after opening the bids, the quotations received from all bidders are higher than the budget of the Group and such quotations are regarded as reasonable prices after analysis, then such bids are still valid, and the Group will adjust and approve the budget according to the relevant policies and procedures. If the Group is a bidder, relevant business departments of the Group will determine the bidding price according to the requirements set forth in the tender documents with reference to the guiding price given by the local government and the market price. The guiding price given by the local government and the market price are published and updated regularly by the competent price bureau of the local government and the Group pays a fee to access such information. The bidding price will be submitted to the persons in charge of the relevant business departments of the Group for consideration and approval.

For transactions under the New Framework Agreement of which the prices are determined by the parties through negotiation (including the sale of resource products by the Group to China Minmetals Group, and the provision of factoring services, finance lease services, credit extension services and bond underwriting services by China Minmetals Group to the Group), relevant business departments of the Group will make reference to the prices of similar transactions between the Group and independent third parties, and normally obtain two or more reference prices from independent third parties, after which the relevant business departments will determine the prices for each type of transactions and submit the same to the persons in charge of the relevant business departments for consideration and approval.

Relevant business departments of the Group will carry out statistical analysis on the actual transaction amount on a monthly basis so as to monitor the progress of the continuing connected transactions of the Group. The legal affairs department of the Group will review the contracts in relation to connected transactions before execution of the contracts.

The Directors (excluding Mr. Chen Jianguang and Mr. Yan Aizhong (who abstained from voting on the relevant resolution as they are deemed to be interested in the New Framework Agreement) and the independent non-executive Directors (as their views will be formed after taking into account the advice provided by the independent financial adviser) consider that the transactions under the New Framework Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and that the annual caps for the transactions under the New Framework Agreement are fair and reasonable.



Mr. Chen Jianguang and Mr. Yan Aizhong, who hold positions in China Minmetals and/or CMGC, are deemed to be interested in the New Framework Agreement, therefore, they have abstained from voting on the resolution of the Board approving the entering into of the New Framework Agreement.

## **(VII) REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE NEW FRAMEWORK AGREEMENT**

### *(1) Purchase of materials*

China Minmetals Group is a comprehensive conglomerate focusing on metal and mineral products business, and possessing trade-based, resource-backed, industry- and trading-integrated and vertically-extended capabilities. Steel trading is one of the traditional businesses of China Minmetals Group that not only possesses advantageous position in the domestic market but is also supported with a sound network of international trading channels, which can provide the Group with stable supply of steel and relevant materials. In addition, China Minmetals Group is able to offer steady and quality sales channels for metal resources and products manufactured by subsidiaries of the Company that engage in resource business. Since China Minmetals Group and the Group possess different capabilities in equipment manufacturing, the mutual supply of equipment can create complementary advantages, hence satisfying the needs for particular engineering construction and production and operation.

### *(2) Engineering construction*

China Minmetals Group is a large-scale conglomerate that engages in global operation. By participating in the bidding process for the engineering construction projects of China Minmetals Group, the Company will be able to enlarge its market share, increase its operating revenue, enhance market competitiveness and boost brand awareness so as to facilitate the brand building of the Company. As China Minmetals Group possesses regional advantages in certain regional markets, the subcontracting of partial engineering construction projects located at such regions by the Company to China Minmetals Group is conducive to the Company's reduction of engineering construction costs and acceleration of progress of engineering construction.

(3) *Asset financing services*

As China Minmetals Group has obtained the full license for its financing business, it is qualified to provide diversified financing services to the Company. In particular, credit extension services may satisfy the needs of the Company for use of capital and effectively strengthen its cash flow condition; factoring services may optimise financing structure without using the bank's credit limit of the Company, which will efficiently reduce the accounts receivable of the Company and speed up the return of capital with the aim of promoting the sustainable and healthy development of the Company; finance lease services may provide unrestricted capital support to the Company for its production and operation by utilising the existing equipment, which will help the Company monetise fixed assets while maintaining the normal operation of the relevant equipment; bond underwriting services may satisfy the long-term financing needs of the Company, reduce financing costs, and expand the financing channels of the Company through the issuance of asset-backed securitisation products.

(4) *Production and maintenance services and technological and management services*

The Group is equipped with competitive advantages in its unique full industry chain and the capability in providing operation services within full life cycle under an integrated model of engineering construction operation. By providing production and maintenance services and technological and management services as well as other relevant services to China Minmetals Group, the Group will be able to develop its relevant advantages, increase operating revenue and enhance its market share. At the same time, China Minmetals owns companies that manufacture mining machinery and ancillary facilities, etc., which can provide the Group with high-quality and well-fit equipment and maintenance services.

(5) *Property leasing*

The properties leasing arrangement will enable the Company to secure a long-term lease at a relatively stable rental price, and to maintain the stable use of the Company's office premises and avoid the potential risks arising from directly owning the premises. It also helps to integrate the Company's real estate resources to avoid idleness and wastage, to generate stable income by way of collecting rent, and to achieve optimal allocation and maximisation of the value of state-owned assets.

## **II. ENTERING INTO OF THE NEW FINANCIAL SERVICES AGREEMENT WITH MINMETALS FINANCE COMPANY**

### **(I) BACKGROUND**

As the Financial Services Agreement entered into between the Company and Minmetals Finance Company will expire on 31 December 2024, on 28 March 2024, the Board approved the Company to enter into the New Financial Services Agreement with Minmetals Finance Company, so as to continue to carry out various types of transactions with Minmetals Finance Company. The New Financial Services Agreement will be valid for a term from 1 January 2025 to 31 December 2027, subject to the approval by the Independent Shareholders at the annual general meeting.

### **(II) MAJOR TERMS**

The major terms of the New Financial Services Agreement are summarized as follows:

#### ***Parties:***

- (1) The Company; and
- (2) Minmetals Finance Company

#### ***Transaction types:***

Pursuant to the terms and conditions of the New Financial Services Agreement, Minmetals Finance Company agreed to provide the following services to the Group:

- (1) Composite credit facilities services: Minmetals Finance Company will provide composite credit extension services and services thereunder to the Group, including the handling of loans and finance lease applications, bills acceptance and discounting, the provision of guarantees and the applications for letters of guarantee.
- (2) Deposit services: Minmetals Finance Company will provide deposit services to the Group.

- (3) Other financial services: Minmetals Finance Company will provide other financial services to the Group, including but not limited to the provision of financial and financing advisory, credit appraisal and related advisory and agency services; provision of insurance agency services; provision of entrusted loans and entrusted investment services; assistance in the receipt and payment of transaction proceeds; provision of internal funds transfer and settlement services; underwriting of corporate bonds; and other services permitted under financial licenses.

***Term:***

The New Financial Services Agreement will be valid for a term from 1 January 2025 to 31 December 2027, subject to the approval by the Independent Shareholders at the annual general meeting. The New Financial Services Agreement can be extended or renewable for a term of three years if there is no disagreement from both parties, subject to compliance with all applicable laws and regulations and all applicable requirements under the Listing Rules.

***Pricing policies:***

- (1) Composite credit facilities services: The interest rate on the loans provided by Minmetals Finance Company to the Group shall be in line with the benchmark loan prime rate (LPR) on loans published by the PBOC and shall not be higher than the interest rate on the loans of the same type provided by Minmetals Finance Company to other member units of China Minmetals under the same conditions, and shall be determined on normal commercial terms.
- (2) Deposit services: The interest rate on the deposit services provided by Minmetals Finance Company to the Group shall not be lower than the benchmark deposits interest rate on deposits of the same type with the same maturity published by the PBOC and the interest rate on deposits provided by Minmetals Finance Company to other member units of China Minmetals under the same conditions, and shall be determined on normal commercial terms.
- (3) Other financial services: The service fees for other financial services provided by Minmetals Finance Company to the Group shall not be higher than those charged by major domestic commercial banks for services of the same type provided to the Group, and shall be determined on normal commercial terms.

### (III) HISTORICAL DATA

The historical amounts of each type of transactions between the Group and Minmetals Finance Company as disclosed above for the two years ended 31 December 2022 and 2023, and for the period from 1 January 2024 to 28 February 2024 are as follows:

*Unit: RMB0'000*

Transaction type	For the year ended 31 December		For the period from 1 January to 28 February
	2022 Amount incurred	2023 Amount incurred	2024 Amount incurred
Maximum daily balance of composite credit facilities granted to the Group by Minmetals Finance Company <sup>Note 1</sup>	4,954	318,790	318,790
Daily balance of the Group's deposits with Minmetals Finance Company <sup>Note 2</sup>	430,010	554,874	980,401
Total charges for the financial services provided by Minmetals Finance Company to the Group <sup>Note 3</sup>	<u>21</u>	<u>80</u>	<u>0</u>

*Notes:*

1. Including but not limited to loans and finance lease acceptance and discounting of bills, guarantees, letters of guarantee, opening of letters of credit, etc., including accrued interests incurred.
2. Including accrued interests incurred.
3. Including but not limited to the total amount of agency fees, handling fees, advisory fees or other service fees charged for the provision of advisory services, clearing services, internet banking services, investment services, letters of credit, entrusted loans, guarantees, services in relation to the acceptance of bills and letters of guarantee, etc.

#### (IV) ANNUAL CAPS AND BASIS OF DETERMINATION

*Unit: RMB0'000*

	Proposed annual caps		
	For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
Maximum daily balance of composite credit facilities granted to the Group by Minmetals Finance Company <sup>Note 1</sup>	3,000,000	3,000,000	3,000,000
Daily balance of the Group's deposits with the Minmetals Finance Company <sup>Note 2</sup>	1,700,000	1,800,000	1,900,000
Total charges for the financial services provided by Minmetals Finance Company to the Group <sup>Note 3</sup>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>

*Notes:*

1. Including but not limited to loans and finance lease, acceptance and discounting of bills, guarantees, letters of guarantee, opening of letters of credit, etc., including accrued interests incurred.
2. Including accrued interests incurred.
3. Including but not limited to the total amount of agency fees, handling fees, advisory fees or other service fees charged for the provision of advisory services, clearing services, internet banking services, investment services, letters of credit, entrusted loans, guarantees, services in relation to the acceptance of bills and letters of guarantee, etc.

A long-term and stable business relationship has been developed between the Group and Minmetals Finance Company in the areas of deposits, loans, bills and settlements, etc., and there will be comparative advantages for Minmetals Finance Company to continue to provide the relevant services.

Looking ahead, the long-term positive trend of China's economy will remain unchanged, and the iron and steel and construction industries will continue to be important basic industries of the country in the long term. The continued provision of financial services by Minmetals Finance Company to the Group will be conducive to enhancing the convenience of the Group's use of funds, improving the efficiency of the use of funds and lowering the cost of funds, and will help the Group to develop its business in line with the economic and policy trends.

The maximum daily balance of the composite credit facilities provided by Minmetals Finance Company to the Group was determined after taking into account the Group's future business requirements in relation to the credit extension services and by reference to the fees charged by other financial institutions in the PRC for the provision of similar services.

The proposed caps for daily deposits balance were determined with reference to the continued growth of the business scale of the Group and the financial risk control procedures of the selected deposit service provider and the cash flow of the Group taking into account the future business development plan of the Group and its demand in financial control during the term of the New Financial Services Agreement.

The proposed caps for service fees on the provision of other financial services were determined with reference to the continued growth of the business scale of the Group and fees charged by other financial institutions in the PRC for the provision of similar services taking into account the future business needs of the Group in relation to credit extension services.

#### **(V) REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW FINANCIAL SERVICES AGREEMENT**

The main reasons for the Company to choose Minmetals Finance Company to provide relevant financial services are as follows:

- (1) Minmetals Finance Company is a non-banking financial institution established with the approval by the PBOC and governed by the National Financial Regulatory Administration to provide financial services for member units of enterprises and can provide relevant financial services to the Company, which is conducive to optimising the Company's financial management and improving the efficiency of capital utilisation, thereby reducing financing costs.
- (2) The provision of deposits and other financial services by Minmetals Finance Company to the Group facilitates the settlement of the Group with China Minmetals Group and shortens the time required for funds transfers. Minmetals Finance Company can reduce the Group's cost of funds by, among others, increasing the efficiency of internal settlement. In addition, by placing funds with Minmetals Finance Company, the Group can have ready, timely and unrestricted access to funds to meet its flexible funding requirements. At the same time, the Group is entitled to choose to withdraw its deposits from Minmetals Finance Company in full or in part from time to time. The Group has full discretion to place its deposits with Minmetals Finance Company or with independent commercial banks without any restrictions.

- (3) With the integration of CMGC into China Minmetals through Strategic Reorganisation, Minmetals Finance Company has an in-depth understanding of the construction industry and is able to make good use of the Group's development strategy to better anticipate the Group's capital requirements and gain an in-depth knowledge of the Group's operation and management. Therefore, Minmetals Finance Company can provide the Group with financial services that are flexible, convenient and low-cost.
- (4) The interest rate on the deposit services provided by Minmetals Finance Company to the Group shall not be lower than the benchmark deposits interest rate on deposits of the same type with the same maturity published by the PBOC and the interest rate on deposits provided by Minmetals Finance Company to other member units of China Minmetals under the same conditions, and shall be determined on normal commercial terms. The loans rates shall be in line with the benchmark loan prime rate (LPR) on loans published by the PBOC and shall not be higher than the interest rate on the loans of the same type provided by Minmetals Finance Company to other member units of China Minmetals under the same conditions, and shall be determined on normal commercial terms. The service fees for other financial services provided by Minmetals Finance Company to the Group shall not be higher than those charged by major domestic commercial banks for services of the same type provided to the Group, and shall be determined on normal commercial terms.

#### **(VI) RISK MANAGEMENT AND INTERNAL CONTROL MEASURES RELATED TO THE NEW FINANCIAL SERVICES AGREEMENT**

- (1) The Company will designate a dedicated department (or an internal organisation) to co-ordinate and manage the business of the Group operated within Minmetals Finance Company, monitor relevant business information on a regular basis and monitor market price levels on a real-time basis, thereby ensuring that the transaction amount of the Group's related business with Minmetals Finance Company does not exceed the caps and that the pricing principles on connected transactions are strictly enforced.
- (2) Minmetals Finance Company will assist in monitoring the implementation of the financial services of the Group to ensure that the relevant amounts do not exceed the annual caps for connected transactions. If the fees for services provided by Minmetals Finance Company reach the then annual cap, the Group will suspend such services with Minmetals Finance Company for the remainder of the year unless otherwise approved by the Board or at the Company's general meeting, as applicable.
- (3) The Group is entitled to inspect whether Minmetals Finance Company has a valid Financial Permit and a valid Business Licence prior to entering into connected transactions with Minmetals Finance Company, and if the relevant licences are not available or have expired, the Group shall not conduct the corresponding business with Minmetals Finance Company.



- (4) The Group has ready, timely and unrestricted access to funds to meet its flexible funding requirements. The Group may withdraw its deposits from Minmetals Finance Company in full or in part from time to time to examine and ensure the safety and liquidity of relevant deposits.
- (5) The Company has formulated relevant risk treatment plan and will review the operating and financial conditions of Minmetals Finance Company on a regular basis. If there is any event that may pose potential safety risks to the funds of the Group deposited with Minmetals Finance Company, the Company will carry out risk treatment related work decisively in accordance with such risk treatment plan, urge the relevant departments and member units of the Company to take timely measures against those risks such as full or partial withdrawal of deposits from Minmetals Finance Company, suspension of deposits with Minmetals Finance Company and requests to Minmetals Finance Company for rectification within a certain period of time. These measures can ensure the safety of the deposits of the Group with Minmetals Finance Company. In the event of default where the deposits with Minmetals Finance Company cannot be withdrawn, Minmetals Finance Company shall compensate the Group for the losses incurred to the extent of its liabilities.
- (6) Minmetals Finance Company guarantees that it will keep the Group informed in a timely manner of any circumstances that may compromise the safety of the deposits the Group or any other events that may pose safety risks to the funds of the Group on deposit.
- (7) During the annual audit for the Company, the external auditor will, upon review, issue an opinion on the connected transactions of the Group and Minmetals Finance Company, and the Company will fulfill its disclosure obligations in a timely manner as required by the listing rules of the place where it is listed. Minmetals Finance Company shall cooperate as necessary.

The above internal control and risk management measures are designed to minimise the potential financial risks against the Company and safeguard the interests of the Group and the Shareholders. The Directors consider that the above internal control and risk management measures are reasonably effective in all material respects to assist the Company in monitoring the related transactions.

The Directors (excluding Mr. Chen Jianguang and Mr. Yan Aizhong (who abstained from voting on the relevant resolution as they are deemed to be interested in the New Financial Services Agreement) and the independent non-executive Directors (as their views will be formed after taking into account the advice provided by the independent financial adviser) consider that the transactions under the New Financial Services Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and that the annual caps for the transactions under the New Financial Services Agreement are fair and reasonable.

Mr. Chen Jianguang and Mr. Yan Aizhong, who hold positions in China Minmetals and/or CMGC, are deemed to be interested in the New Financial Services Agreement, therefore, they have abstained from voting on the resolution of the Board approving the entering into of the New Financial Services Agreement.

### **III. GENERAL INFORMATION**

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

China Minmetals is a state wholly-owned enterprise established in the PRC. It is a comprehensive conglomerate focusing on metal and mineral products business, and possessing trade-based, resource-backed, industry- and trading-integrated and vertically-extended capabilities.

Minmetals Finance Company was established in the PRC to provide financial services, including financial and financing advisory, credit appraisal and related advisory, and agency services for its member units.

### **IV. LISTING RULES IMPLICATIONS**

#### **ENTERING INTO OF THE NEW FRAMEWORK AGREEMENT WITH CHINA MINMETALS**

China Minmetals, an indirect controlling shareholder of the Company, is a connected person of the Company. As such, the transactions under the New Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the transactions of purchase of materials (income and expenditure) and engineering construction (income) under the New Framework Agreement exceed 5%, such continuing connected transactions are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the transactions of engineering construction (expenditure), production and maintenance (income and expenditure), technological and management services (income and expenditure), property leasing (income and expenditure), asset financing services (total financing

amount – factoring), asset financing services (total financing amount – finance lease), asset financing services (financing expenses – factoring), asset financing services (financing expenses – finance lease) and asset financing services (bond underwriting) under the New Framework Agreement exceed 0.1% but are lower than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements but exempted from circular and Independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

In respect of the asset financing services (financing expenses – financial assistance) under the New Framework Agreement, China Minmetals Group (excluding Minmetals Finance Company) will provide financial assistance including loans to the Group but the Group will not be required to provide guarantees or pledge of its assets in connection with such credit facilities. Accordingly, pursuant to Rule 14A.90 of the Listing Rules, such asset financing services (financing expenses – financial assistance) are fully exempted from the reporting, annual review, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

#### **ENTERING INTO OF THE NEW FINANCIAL SERVICES AGREEMENT WITH MINMETALS FINANCE COMPANY**

Minmetals Finance Company is a subsidiary of China Minmetals, which is an indirect controlling shareholder of the Company, therefore, Minmetals Finance Company is a connected person of the Company. As such, the transactions under the New Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

With respect to the composite credit facilities services under the New Financial Services Agreement, as one or more of the applicable percentage ratios under the Listing Rules in respect of the maximum daily balance of credit extension exceed 5%, such continuing connected transactions are therefore subject to the reporting, announcement, annual review, circular, and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

With respect to the deposit services under the New Financial Services Agreement, as one or more of the applicable percentage ratios under the Listing Rules in respect of the maximum daily balance of deposits (including accrued interest) exceed 5%, such continuing connected transactions are therefore subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Moreover, as one or more of the the applicable percentage ratios in respect of the deposit services exceeds 25%, the deposit services under the New Financial Services Agreement also constitute major transactions under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

With respect to the other financial services under the New Financial Services Agreement, as all the applicable percentage ratios under the Listing Rules in respect of the annual caps for these transactions are lower than 0.1%, such continuing connected transactions are therefore exempted from the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **V. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the matters in this announcement.

The Company will appoint Gram Capital Limited (a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity (under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) as the independent financial adviser which shall advise the Independent Board Committee and the Independent Shareholders in relation to the annual caps that shall be submitted to the annual general meeting for consideration as set out in this announcement.

## VI. DESPATCH OF CIRCULAR

The Company will seek approval from the Independent Shareholders in respect of the matters in this announcement at the forthcoming annual general meeting. A circular containing, details of the matters in this announcement, a letter from the Independent Board Committee and a letter from the independent financial adviser (both containing advice on the matters in this announcement) is expected to be despatched to the Shareholders in accordance with the Listing Rules. The Company will despatch the circular to the Shareholders on or before 27 May 2024 as additional time is required to prepare and finalise certain information for inclusion in the circular. If there is expected to be a delay in the despatch of the circular, a further announcement will be published by the Company in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular. In view of China Minmetals' interests in the matters in this announcement, CMGC, an associate of China Minmetals, will abstain from voting to approve the matters in this announcement at the annual general meeting.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“China Minmetals”	China Minmetals Corporation* (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 an indirect controlling shareholder of the Company
“China Minmetals Group”	China Minmetals and its subsidiaries and associates, including CMGC and its subsidiaries but excluding the Group
“CMGC”	China Metallurgical Group Corporation* (中國冶金科工集團有限公司), a wholly state-owned enterprise established in the PRC, a direct controlling shareholder of the Company and a wholly-owned subsidiary of China Minmetals

“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, whose A shares and H shares are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(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 directors of the Company, including all executive Directors, non-executive Directors and independent non-executive Directors
“Financial Services Agreement”	the financial services agreement entered into between the Company and Minmetals Finance Company on 25 May 2022 for the provision of relevant financial services to the Group
“Framework Agreement”	the Mutual Supply of Comprehensive Raw Materials, Products and Services Agreement entered into between the Company and China Minmetals on 10 May 2023
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee formed by the Company for the matters in this announcement, including all independent non-executive Directors, namely Mr. Zhou Jichang, Mr. Liu Li and Mr. Ng, Kar Ling Johnny
“Independents Shareholders”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Minmetals Finance Company”	CMC Finance Co., Ltd., a company established in the PRC and a subsidiary of China Minmetals

“New Financial Services Agreement”	the financial services agreement to be entered into between the Company and Minmetals Finance Company for the provision of relevant financial services to the Group
“New Framework Agreement”	the Mutual Supply of Comprehensive Raw Materials, Products and Services Agreement to be entered into between the Company and China Minmetals
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“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
“Shareholder(s)”	shareholders of the Company
“Strategic Reorganisation”	the strategic reorganisation between CMGC and China Minmetals, upon completion of which CMGC will be integrated into China Minmetals as a whole and China Minmetals will hold all the equity interests in CMGC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	percent

By order of the Board  
**Metallurgical Corporation of China Ltd.\***  
**Wang Zhen**  
*Joint Company Secretary*

Beijing, the PRC  
28 March 2024

*As at the date of this announcement, the Board comprises executive Director: Mr. Chen Jianguang; non-executive Directors: Mr. Lang Jia and Mr. Yan Aizhong (employee representative Director); and independent non-executive Directors: Mr. Zhou Jichang, Mr. Liu Li and Mr. Ng, Kar Ling Johnny.*

\* For identification purpose only