

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)

### **SUBSEQUENT DEVELOPMENT OF MAJOR TRANSACTION DISPOSAL OF INTEREST OF A COMPANY HOLDING PROPERTY INTEREST IN NANJING BY A SUBSIDIARY**

References are made to the announcement of the Company dated 4 August 2014 and the circular dated 29 August 2014 regarding the disposal of 40% of the equity interest of Gangning Real Estate and 40% of the equity interest of Longjiangwan Real Estate as parts of the major transaction mentioned in the announcement and the circular. Reference is also made to the announcement of the Company dated 20 September 2010 regarding the land parcels held by Gangning Real Estate and Longjiangwan Real Estate as parts of the Land No. 1 of Nanjing Binjiang (南京濱江) which were acquired through public auction by the Project Company.

The Board is pleased to announce that upon the completion of public tendering procedures (公開掛牌程序), the Project Company received a Notice of Contract Signing (組織簽約通知書) from Shanghai United Assets and Equity Exchange (上海聯合產權交易所) on 27 November 2014, in relation to the transfer of its 40% of the equity interest of Gangning Real Estate at a consideration of RMB778.6844 million (equivalent to approximately HK\$981.1423 million) and 40% of the equity interest of Longjiangwan Real Estate at a consideration of RMB600.0083 million (equivalent to approximately HK\$756.0105 million), at a total consideration of RMB1,378.6927 million (equivalent to approximately HK\$1,737.1528 million) to Sum Fu Company.

At the beginning of the establishment, Gangning Real Estate and Longjiangwan Real Estate were both wholly-owned subsidiaries of the Project Company which was in turn held as to 98.52% by a wholly-owned subsidiary of the Company, MCC Real Estate. On 10 March 2014, the Project Company disposed of 60% of the equity interest of Gangning Real Estate and 60% of the equity interest of Longjiangwan Real Estate to Sum Fu Company.

## **PARTICULARS OF THE TRANSACTION**

References are made to the announcement of the Company dated 4 August 2014 and the circular dated 29 August 2014 regarding the disposal of 40% of the equity interest of Gangning Real Estate and 40% of the equity interest of Longjiangwan Real Estate as parts of the major transaction mentioned in the announcement and the circular. Reference is made to the announcement of the Company dated 20 September 2010 regarding the land parcels held by Gangning Real Estate and Longjiangwan Real Estate as parts of the Land No. 1 of Nanjing Binjiang (南京濱江) which were acquired through public auction by the Project Company.

The Board is pleased to announce that upon the completion of public tendering procedures (公開掛牌程序), the Project Company received a Notice of Contract Signing (組織簽約通知書) from Shanghai United Assets and Equity Exchange (上海聯合產權交易所) on 27 November 2014, in relation to the transfer of its 40% of the equity interest of Gangning Real Estate at a consideration of RMB778.6844 million (equivalent to approximately HK\$981.1423 million) and 40% of the equity interest of Longjiangwan Real Estate at a consideration of RMB600.0083 million (equivalent to approximately HK\$756.0105 million), at a total consideration of RMB1,378.6927 million (equivalent to approximately HK\$1,737.1528 million) to Sum Fu Company.

### **Date of the Notice of Contract Signing**

27 November 2014

### **Parties to the Notice of Contract Signing**

- (1) the Project Company (as the seller of the equity interest)
- (2) Sum Fu Company (as the transferee)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Directors have confirmed that Sum Fu Company and its beneficial owner(s) are third parties independent to the Company and its connected persons.

## **DISPOSAL**

Sum Fu Company has agreed to purchase and the Project Company has agreed to dispose of 40% of the equity interest of Gangning Real Estate and 40% of the equity interest of Longjiangwan Real Estate. Upon the completion of the two transactions mentioned above, the Company will cease to hold any equity interest of Gangning Real Estate and Longjiangwan Real Estate. For information on the disposed companies, please refer to the announcement dated 10 March 2014 and the circular dated 29 August 2014 of the Company.

## **CONSIDERATION AND PAYMENT TERMS**

The consideration of the 40% of the equity interest of Gangning Real Estate amounts to RMB778.6844 million (equivalent to approximately HK\$981.1423 million), and the consideration of the 40% of the equity interest of Longjiangwan Real Estate amounts to RMB600.0083 million (equivalent to approximately HK\$756.0105 million). The total consideration of the equity interest of Gangning Real Estate and Longjiangwan Real Estate amounts to RMB1,378.6927 million (equivalent to approximately HK\$1,737.1528 million).

The said consideration was reached by Sum Fu Company through public tendering at Shanghai United Assets and Equity Exchange. The public tendering was conducted in accordance with the relevant laws and regulations of the PRC. After the transferee is confirmed, the equity transfer contract (產權交易合同) shall be entered into with the Project Company within three working days, and Sum Fu Company shall pay the amount of the total consideration less the transaction deposit to the bank account designated by Shanghai United Assets and Equity Exchange within ten working days after the equity transfer contract becomes effective.

## **EFFECTS OF THE DISPOSAL ON THE COMPANY**

Given the transfer consideration and the book value of the Disposal, the Company is expected to record an income of approximately RMB14.9938 million (equivalent to approximately HK\$18.8922 million) from the disposal of 40% of the equity interest of Gangning Real Estate, and an income of approximately RMB36.7738 million (equivalent to approximately HK\$46.3350 million) from the disposal of 40% of the equity interest of Longjiangwan Real Estate, totally amounting to RMB51.7676 million (equivalent to approximately HK\$65.2272 million). The Board is of the view that the terms of the Disposal are on normal commercial terms, fair and reasonable, and are in the interest of the Company and its shareholders as a whole.

## **INFORMATION ON THE COUNTERPARTY OF THE TRANSACTION**

Sum Fu Company was incorporated in Hong Kong in October 1997, the principal business of which includes property investment. It is a subsidiary of Shum Yip Holdings Company Limited (深業集團有限公司).

## DEFINITIONS

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

- “Board” means the board of directors of the Company;
- “Company” means Metallurgical Corporation of China Ltd.\*, a joint stock limited company incorporated under the laws of the PRC on 1 December 2008;
- “Disposal” means Sum Fu Company agrees to purchase and the Project Company agrees to dispose of 40% of the equity interest of Gangning Real Estate and 40% of the equity interest of Longjiangwan Real Estate;
- “Director(s)” means the director(s) of the Company;
- “Gangning Real Estate” means Nanjing Gangning Real Estate Co., Ltd.\* (南京港寧置業有限公司), a limited liability company established in the PRC;
- “Group” means the Company and its subsidiaries;
- “Hong Kong” means Hong Kong Special Administrative Region of the People’s Republic of China;
- “HK\$” means Hong Kong dollar, the lawful currency of Hong Kong;
- “Land No. 1” means land No. 1 of an area of 353,664.3 square meters locating to the west of Jiangbian Road, Binjiang, Xiaguan District (has been merged into Gulou District), Nanjing City, of which the land use right was acquired by the Project Company through public auction on 19 September 2010;
- “Longjiangwan Real Estate” means Nanjing Longjiangwan Real Estate Co., Ltd.\* (南京龍江灣置業有限公司), a limited liability company established in the PRC;

- “MCC Real Estate” means MCC Real Estate Group Co., Ltd.\*, a wholly-owned subsidiary of the Company;
- “PRC” means the People’s Republic of China, but for the purposes of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
- “Project Company” means Nanjing Linjiang Old Town Renovation Construction and Investment Co., Ltd.\* (南京臨江老城改造建設投資有限公司), a limited liability company established in the PRC;
- “RMB” means Renminbi, the lawful currency of the PRC; and
- “Sum Fu Company” means South East Asia Sum Fu Company Limited (東南亞深富有限公司).

*Unless otherwise stated in this announcement, all amounts denominated in RMB have been converted into HK\$ at the exchange rate of RMB1.00=HK\$1.26 for information purpose only. Such conversion 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 of Directors  
**Metallurgical Corporation of China Ltd.\***  
**Kang Chengye**  
*Company Secretary*

Beijing, the PRC  
27 November 2014

*As at the date of this 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