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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

CONTINUING CONNECTED TRANSACTIONS – ENTERING INTO THE NEW FRAMEWORK AGREEMENT WITH CHINA MINMETALS

I. BACKGROUND

ENTERING INTO 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 2025, on 28 March 2025, 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 2026, subject to the approval by the Independent Shareholders at the annual general meeting. The New Financial Services Agreement entered into between the Company and Minmetals Finance Company on 16 May 2024 will be governed by the New Framework Agreement upon the New Framework Agreement becoming effective.

II. LISTING RULES IMPLICATIONS

ENTERING INTO THE NEW FRAMEWORK AGREEMENT WITH CHINA MINMETALS

China Minmetals, a 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.

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 6 June 2025 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, China Minmetals and its associate, CMGC, will abstain from voting to approve the matters in this announcement at the annual general meeting.

I. ENTERING INTO 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 2025, on 28 March 2025, 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 2026, subject to the approval by the Independent Shareholders at the annual general meeting. The New Financial Services Agreement entered into between the Company and Minmetals Finance Company on 16 May 2024 will be governed by the New Framework Agreement upon the New Framework Agreement 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, storage, freight forwarding, shipping and 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) 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). Besides, the Group did not provide any guarantee or pledge of its assets for the abovementioned businesses. 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) Mainly 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; entrusted management 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.
- (iv) The Group is entrusted with the right of management of subsidiaries of China Minmetals Group to manage the business, personnel and other overall operational matters of the entrusted enterprises without conducting consolidated statement management.

(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 entered into between CMGC and the Company, and the property services contract 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. 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 to 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 and entrusted management 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 2026, 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 2023 and 2024, and for the period from 1 January 2025 to 28 February 2025 are as follows:

Unit: RMB0'000

Transaction type	For the year ended 31 December		For the period from 1 January to 28 February 2025 Amount incurred
	2023 Amount incurred	2024 Amount incurred	
Purchase of materials			
Income	386,905	374,202	31,123
Expenditure	1,262,036	944,984	69,285
Engineering construction			
Income	527,778	690,839	83,965
Expenditure	28,036	36,541	4,460
Technological and management services			
Income	12,905	14,583	1,198
Expenditure	25,023	23,603	1,827
Property leasing			
Expenditure	9,853	9,945	732
Asset financing services			
	<i>Total financing amount</i>		
Factoring	0	0	0
Finance lease	0	0	0
	<i>Financing expenses</i>		
Financial assistance	9,885	18,561	7
Factoring	0	0	0
Finance lease	0	0	0
	<i>Bond underwriting</i>		
Bond underwriting	0	151	0

(IV) ANNUAL CAPS

The Company estimates that the annual cap for each type of transactions under the New Framework Agreement for the year of 2026 is as follows:

Unit: RMB0'000

Transaction type	For the year ending 31 December 2026
Purchase of materials	
Income	695,600
Expenditure	1,493,100
Engineering construction	
Income	934,100
Expenditure	240,000
Production and maintenance	
Income	20,000
Expenditure	20,000
Technological and management services	
Income	200,000
Expenditure	250,000
Property leasing	
Income	20,000
Expenditure ^{Note 1}	60,000
Asset financing services	
	<i>Total financing amount</i>
Factoring	100,000
Finance lease	100,000
	<i>Financing expenses</i>
Financial assistance ^{Note 2}	100,000
Factoring	6,000
Finance lease	6,000
	<i>Bond underwriting</i>
Bond underwriting	33,000

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 2026 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 2026, 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 2026, 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 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 2026. Such amounts have been estimated by each subsidiary based on their demands for steel and equipment for their bid-winning EPC 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 2024. 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); 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. 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.

III. LISTING RULES IMPLICATIONS

ENTERING INTO THE NEW FRAMEWORK AGREEMENT WITH CHINA MINMETALS

China Minmetals, a 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.

IV. 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.

V. 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 6 June 2025 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, China Minmetals and its associate, CMGC, 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 a 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 shareholder holding 4.918% of the Company’s shares 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

“Framework Agreement”	the Mutual Supply of Comprehensive Raw Materials, Products and Services Agreement entered into between the Company and China Minmetals on 16 May 2024. For details of the agreement, please refer to the Company’s announcements dated 28 March 2024 and 16 May 2024
“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. Liu Li, Mr. Ng, Kar Ling Johnny and Ms. Zhou Guoping
“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 entered into between the Company and Minmetals Finance Company on 16 May 2024 for the provision of relevant financial services to the Group. For details of the agreement, please refer to the Company’s announcements dated 28 March 2024 and 16 May 2024
“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
“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 2025

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

* *For identification purpose only*