

**METALLURGICAL CORPORATION OF CHINA LTD:
THIS IS NOT A COMPANY,
BUT AN 'ARM' OF THE PRC GOVERNMENT**

Since the flotation of Metallurgical Corporation of China Ltd () (Code: 1618, Main Board, The Stock Exchange of Hongkong Ltd) on the Main Board of The Stock Exchange of Hongkong Ltd, the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), on Thursday, September 24, 2009, the share price has drifted lower, and lower ... and continues to drift to lower levels.

This is despite the **Initial Public Offering (IPO)**, having been very well received in the HKSAR – the Hongkong Public Offer Tranche was oversubscribed about 205.45 times and the International Offering Tranche was said to have been '*significantly over-subscribed*'.

The Global Offering Prospectus Offered 2,871,000,000, one renminbi Shares at \$HK6.35 per Share, the Company, raking in about \$HK15,646,000,000, net of expenses.

On the first day of trading, Thursday, September 24, 2009, the share price dropped to a low of \$HK5.40, representing a fall of 14.96 percent, compared to the Offer Price.

The volume of trading in the shares, on the first day, was 6,893,848,677 shares, according to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

On the second day of trading, a total of 2,632,732,395 shares changed hands, with the share price, fluctuating between a low of \$HK5.52 and a high of \$HK5.86, ending the day at \$HK5.68.

Today, the share price is about \$HK5.39, a 15-percent fall, compared to the Offer Price of \$HK6.35 per share.

Many investors, who lined up in order to obtain a copy of the massive Company's Prospectus, and, then, applied for some shares, must be pondering today whether or not it was all worth their while.

After all, these same investors could have held their fire and picked up the shares on the open market at a considerable reduction to the Offer Price.

The debut of Metallurgical Corporation of China Ltd was the worst of the year.

The Business

Metallurgical Corporation of China Ltd is a very large corporate entity, being one of the largest engineering and construction companies in the world.

But this Company is tightly controlled by the Government of the PRC, which, via China Metallurgical Group Corporation (), controls about 64.18 percent of the Issued and Fully Paid-Up Share Capital.

As such, it is obvious that the parent company pulls the strings when it deems it necessary so to do.

China Metallurgical Group Corporation may well be a strong company, financially, but it appears that it is having its fair share of troubles of late, too, **TOLFIN**'s records suggest.

On June 18, 2009, this company was sued ... [CLICK TO ORDER FULL ARTICLE](#)

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