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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)

**UTILISATION OF CERTAIN IDLE PROCEEDS RAISED  
FROM H SHARE IPO FOR TEMPORARY REPLENISHMENT  
OF WORKING CAPITAL**

References are made to (1) the section headed “Future Plans and Use of Proceeds” in the prospectus published for the initial public offering of H shares (“**H Share IPO**”) of Metallurgical Corporation of China Ltd.\* (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11 September 2009 in relation to the use of proceeds raised from the H Share IPO, including funding overseas resources development projects and potential acquisitions of overseas resources; (2) the announcements dated 30 August 2013 and 22 November 2013 and the circular dated 8 October 2013 in relation to (among others) the change of the use of proceeds of HK\$1.833 billion from funding overseas resources development projects and potential acquisitions of overseas resources as originally planned to funding the working capital for the overseas engineering contracting projects of the Group; (3) the announcements dated 29 March 2018 and 29 March 2019, respectively, in relation to the temporary utilisation of idle proceeds for the Aynak Copper Mine project, Afghanistan (“**Aynak Project**”) by the Company to replenish working capital for the overseas engineering projects of the Group for a term of one year.

As disclosed in the announcement of the Company dated 29 March 2019, the Company, after reserving RMB42 million for the funding requirement of the Aynak Project for the next year, would use the idle proceeds of RMB2.1 billion as originally planned for funding the Aynak Project to further replenish working capital for the overseas engineering projects of the Group for a term of one year.

The total proceeds from the H Share IPO is approximately HK\$15.585 billion. So far, the Group has accumulatively used approximately HK\$13.186 billion, and the balance is approximately HK\$2.399 billion, among which the balance for designated proceeds is HK\$50 million (including redeposit earnings and deposit interests), and the rest is the fund designated for the Aynak Project.

As the Company is still negotiating with the Afghanistan government for amending the Aynak Project mining contract in various aspects such as the scope of the contract, product proposal, economical benefits of the project, security measures and conditions for commencing construction, it is anticipated that the Aynak Project may not need substantial funding in a short period of time, and a large amount of proceeds from the H Share IPO reserved for this project will be left idle. In order to improve the efficiency of fund utilisation, upon consideration and approval at the 14th meeting of the third session of the board of directors, the Company, after reserving RMB42 million for the funding requirement of the Aynak Project for the next year, will continue to use the idle proceeds of RMB2.1 billion as originally planned for funding the Aynak Project to replenish working capital for the overseas engineering projects of the Group for a term of one year. In the event that the Aynak Project makes a significant progress and needs more funding within one year from the approval of the temporary replenishment of working capital, the relevant project companies which are permitted to temporarily use the aforesaid idle proceeds will withdraw the project funds in batches and deposit the same amount into the account designated for the proceeds of the Aynak Project.

The board of directors is of the view that the temporary utilisation of the idle proceeds of the Aynak Project for replenishment of working capital for overseas engineering projects of the Group will increase the efficiency of fund utilisation and reduce finance costs of the Group, and is in the best interests of the Company and its shareholders as a whole.

By order of the Board  
**Metallurgical Corporation of China Ltd.\***  
**Zeng Gang**  
*Joint Company Secretary*

Beijing, the PRC  
31 March 2020

*As at the date of this announcement, the board of directors of the Company comprises two executive directors: Mr. Guo Wenqing and Mr. Zhang Zhaoxiang; four independent non-executive directors: Mr. Zhou Jichang, Mr. Yu Hailong, Mr. Ren Xudong and Mr. Chan Ka Keung, Peter; and one non-executive director: Mr. Lin Jinzhen.*

\* For identification purpose only