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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**

Reference is made to (1) the section headed “Future Plans and Use of Proceeds” in the prospectus published for the initial public offering of H shares (the “**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, 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; and (3) the announcements dated 29 March 2018, 29 March 2019 and 31 March 2020 respectively, in relation to the temporary utilisation of idle proceeds for the Afghanistan Aynak Copper Mine Project (the “**Aynak Project**”) by the Company to replenish the 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 31 March 2020, the Company, after reserving RMB42 million for the funding requirement of the Aynak Project for the following year, would use the idle proceeds of RMB2.1 billion as originally planned for funding the Aynak Project to further replenish the 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, of which the balance of the designated proceeds account is HK\$50 million (including redeposit earnings and deposit interests, approximately RMB42 million), and the balance are the funds designated for the Aynak Project.

As the Company is still negotiating with the Afghanistan government for amending the contract in respect of the Aynak Project in various aspects such as scope of the contract, product proposal, economic 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 26th 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 following year, will continue to use the idle proceeds of RMB2.1 billion as originally planned for funding the Aynak Project to replenish the 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 the working capital for overseas engineering projects of the Group will increase the efficiency of fund utilisation and reduce the 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
29 March 2021

As at the date of this announcement, the Board of the Company comprises two executive directors: Mr. Guo Wenqing and Mr. Zhang Mengxing; three independent non-executive directors: Mr. Zhou Jichang, Mr. Yu Hailong and Mr. Ng, Kar Ling Johnny; and one non-executive director: Mr. Yan Aizhong.

** For identification purpose only*