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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)

DISTRIBUTION OF 2020 FINAL DIVIDEND

Reference is made to the announcement of Metallurgical Corporation of China Ltd.* (the “**Company**”) dated 25 June 2021 (the “**Announcement**”) on the poll results of the 2020 annual general meeting of the Company held on the same day (the “**AGM**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

DISTRIBUTION OF 2020 FINAL DIVIDEND

The board of directors of the Company (the “**Board**”) wishes to notify the shareholders of the following details in respect of the distribution of 2020 final dividend:

The Company will pay a final dividend of RMB0.75 per 10 shares in cash (tax inclusive) for the year ended 31 December 2020 to the shareholders whose names appear on the H Share register of members of the Company on 30 July 2021. Dividend payable to the holders of H Shares will be calculated in Renminbi and paid in Hong Kong dollars based on the following formula:

Dividend in Hong Kong dollars = Dividend in Renminbi/Daily average median price of Renminbi to Hong Kong dollars published by the People's Bank of China for a period of five business days prior to the AGM

The daily average median price of Renminbi to Hong Kong dollars published by the People's Bank of China for the five business days prior to the AGM was 0.831902 (i.e. RMB0.831902 equivalent to HK\$1). Accordingly, the amount of final dividend per 10 H Shares is HK\$0.901548 (tax inclusive).

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent in Hong Kong (the “**Receiving Agent**”) and will pay to the Receiving Agent the final dividend declared for payment to holders of H Shares. Such final dividend will be paid by the Receiving Agent and will be posted by Computershare Hong Kong Investor Services Limited via ordinary mail to the holders of H Shares at their own risk on 11 August 2021.

THE WITHHOLDING AND PAYMENT OF INCOME TAX FOR NON-RESIDENT ENTERPRISE HOLDERS AND INDIVIDUAL HOLDERS OF H SHARES IN RESPECT OF 2020 FINAL DIVIDEND

Pursuant to the “PRC Individual Income Tax Law” (《中華人民共和國個人所得稅法》), the “Implementation Regulations of the PRC Individual Income Tax Law” (《中華人民共和國個人所得稅法實施條例》), the “Notice on the Issues Concerning Collection and Management of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 Document” (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) issued by the State Administration of Taxation on 28 June 2011, other relevant laws and regulations and the relevant rules promulgated by the State Administration of Taxation, the Company will withhold and pay the individual income tax in respect of the dividend (bonus) received by the individual holders of H Shares. However, the individual holders of H Shares may be entitled to relevant preferential tax treatment pursuant to the provisions in the tax agreements entered into between the countries where they are residents and China or the tax arrangements between Mainland China and Hong Kong (Macau). The Company will determine the country of domicile of the individual holders of H Shares based on the registered address as recorded in the register of members of the Company on 30 July 2021, being the record date for the payment of final dividend. The Company assumes no responsibilities and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H Shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual holder of H Shares or any disputes over the withholding mechanism or arrangements. Details of arrangements are as follows:

- for the individual holders of H Shares who are Hong Kong or Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% for individual holders of H Shares;

- for the individual holders of H Shares whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% for individual holders of H Shares. If relevant individual holders of H Shares would like to apply for a refund of the excessive amount of tax withheld and paid, the Company can assist the relevant shareholder to handle the application for the preferential tax treatment pursuant to the tax treaties, provided that the relevant shareholder shall submit to the Company the information required under the tax treaty notice on or before 11 August 2021. Upon examination and approval by competent tax authorities, the Company will assist in refunding the excessive amount of tax withheld and paid;
- for the individual holders of H Shares whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty; and
- for the individual holders of H Shares whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% for individual holders of H Shares.

If the domicile of individual holders of H Shares is not the same as the registered address, the individual holders of H Shares shall notify the H Share registrar of the Company and provide relevant supporting documents by 4:30 p.m. on 23 July 2021 (address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, Computershare Hong Kong Investor Services Limited). If the individual holders of H Shares would like to apply for a refund of the excessive amount of tax withheld and paid, the individual holders of H Shares shall notify and provide relevant supporting documents to the Company (address: 28 Shuguang Xili, Chaoyang District, Beijing, PRC) on or before 11 August 2021. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual holders of H Shares may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the tax treaty notice if they do not provide the relevant supporting documents to the Company within the time period stated above.

For non-resident enterprise holders of H Shares, the Company will withhold and pay 10% of the dividend as enterprise income tax according to the relevant tax regulations.

In order to determine the list of holders of H Shares who are entitled to receive the final dividend for the year ended 31 December 2020, the register of members of the Company will be temporarily closed from 26 July 2021 to 30 July 2021 (both days inclusive) during which period no transfer of H Shares will be registered. In order to be entitled to the final dividend, holders of H Shares of the Company whose transfers have not been registered shall lodge all transfer documents together with the relevant share certificates at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (address: Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), before 4:30 p.m. on 23 July 2021.

Should the shareholders have any doubt in relation to the aforesaid arrangements, they may consult their tax advisors about the relevant tax impact in Mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H Shares of the Company.

Distribution Of Final Dividend To Investors Of Northbound Trading

For Hong Kong investors (including enterprises and individuals) investing in the A Shares of the Company via the Shanghai-Hong Kong Stock Connect Program (the “**Investors of Northbound Trading**”), their final dividend will be distributed in Renminbi by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominees holding such shares. The Company will withhold and pay income tax at the rate of 10% on behalf of those investors and will report to tax authorities. For Investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities of the Company for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate set out in such tax treaty will be refunded.

The record date, the ex-dividend date, the date of distribution of final dividend and other arrangements for the Investors of Northbound Trading will be the same as those for the holders of A Shares of the Company. The Company will distribute dividends of A Shares according to the following schedule: the record date is 15 July 2021 and both the ex-dividend date and the date of distribution of cash dividends are 16 July 2021. For details on the distribution of dividends of A Shares, the Company will publish an announcement on the website of the Shanghai Stock Exchange.

Distribution of Final Dividend to Investors of Southbound Trading

For Shanghai and Shenzhen investors (including enterprises and individuals) investing in the H Shares of the Company via the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Program (the “**Investors of Southbound Trading**”), the Company has entered into the “Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading” (《**港股通H股股票現金紅利派發協議**》) with the Shanghai Branch and Shenzhen Branch of China Securities Depository and Clearing Corporation, pursuant to which the Shanghai Branch and Shenzhen Branch of China Securities Depository and Clearing Corporation, as the nominee holders of H Shares for the Investors of Southbound Trading, will receive the final dividend distributed by the Company and distribute the final dividend to the relevant Investors of Southbound Trading through their depository and clearing system.

The final dividend for the Investors of Southbound Trading will be paid in Renminbi. Pursuant to the relevant requirements under the “Notice on the Tax Policies related to the Pilot Program of the Shanghai-Hong Kong Stock Connect” (Cai Shui [2014] No. 81) (《**關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知**(財稅[2014]81號)》):

- For dividends received by individual investors of Mainland China from investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect, the Company shall withhold individual income tax at the rate of 20% on behalf of the investors. For dividends received by securities investment funds of Mainland China from investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax pursuant to the foregoing provisions.
- For dividends received by enterprise investors of Mainland China from investing in H Shares of the Company through Shenzhen-Hong Kong Stock Connect, the Company will not withhold the income tax in the distribution of dividend and the enterprises shall file the tax returns on their own.

Pursuant to the requirements under the “Notice on the Tax Policies related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect” (Cai Shui [2016] No. 127) (《**關於深港股票市場交易互聯互通機制試點有關稅收政策的通知**》(財稅[2016]127號)):

- For dividends received by individual investors of Mainland China from investing in H Shares of the Company through Shenzhen-Hong Kong Stock Connect, the Company shall withhold individual income tax at the rate of 20% on behalf of the investors. For dividends received by securities investment funds of Mainland China from investing in H Shares of the Company through Shenzhen-Hong Kong Stock Connect, the Company will withhold individual income tax pursuant to the foregoing provisions.

- For dividends received by enterprise investors of Mainland China from investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect, the Company will not withhold the income tax in the distribution of dividend and the enterprise investors shall file the tax returns on their own.

The record date, the ex-dividend date, the date of distribution of final dividend and other arrangements for the Investors of Southbound Trading will be the same as those for the holders of H Shares of the Company.

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

Beijing, the PRC
9 July 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*