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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)

PROGRESS OF CAPITAL INCREASE IN GENERTEC MINMETALS

Reference is made to the announcements of Metallurgical Corporation of China Ltd.* (the “**Company**”) dated 2 June 2020 and 18 June 2020 (the “**Announcements**”) in relation to the acquisition by the MCC Investors of 20.67% equity interest in Genertec Minmetals. Unless otherwise required by the context, the terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Company wishes to update the progress of the above transaction as follows:

On 31 August 2020, all existing shareholders of Genertec Minmetals (including the MCC Investors, the Minmetals Investors, Universal Hospital Investment and CITIC Capital) entered into a restructuring agreement with two subsidiaries of China Minmetals (the “**New Investors**”, together with the Minmetals Investors, the “**New Minmetals Investors**”) in relation to a further capital increase in Genertec Minmetals by way of cash and/or asset injection (the “**Capital Increase**”). Upon completion of the Capital Increase, the total capital contribution of the parties to Genertec Minmetals will increase from RMB847.0008 million to RMB2,786.9685 million.

As disclosed in the Announcements, Genertec Minmetals is mainly engaged in businesses including medicine retail and hospital management, and the Company has no intention to increase its investment in the medical industry and other non-principal businesses. As such, the MCC Investors decided not to participate in the Capital Increase, as a result of which, their total shareholding ratio in Genertec Minmetals will

decrease from 20.67% to 6.28%. The shareholding ratios in Genertec Minmetals held by all parties before and after the Capital Increase are set out as follows:

Investors	Before the Capital Increase		Upon completion of the Capital Increase	
	Amount (RMB'0000)	Shareholding ratio	Amount (RMB'0000)	Shareholding ratio
MCC Investors	17,507.67	20.67%	17,507.67	6.28%
New Minmetals Investors	19,760.36	23.33%	105,118.94	37.72%
Universal Hospital Investment	38,962.04	46%	128,200.55	46%
CITIC Capital	8,470.01	10%	27,869.68	10%
Total	<u>84,700.08</u>	<u>100%</u>	<u>278,696.85</u>	<u>100%</u>

Upon completion of the Capital Increase, the board of directors of Genertec Minmetals will still comprise seven directors, of which, three will be nominated by Universal Hospital Investment, two will be nominated by the New Minmetals Investors, one will be nominated by CITIC Capital, and one will be elected at the employee representatives' conference. Its supervisory committee will still comprise five supervisors, of which, one will be nominated by Universal Hospital Investment, one will be nominated by the New Minmetals Investors, one will be nominated by CITIC Capital, and two will be elected at the employee representatives' conference. Upon completion of the Capital Increase, the shareholding ratio of the MCC Investors in Genertec Minmetals will only be 6.28%. Therefore, the MCC Investors will not have any representative on the board of directors or the supervisory committee of Genertec Minmetals, and the MCC Investors have no intention to participate in the daily management of Genertec Minmetals.

As Genertec Minmetals is not a subsidiary of the Company, the decrease in the shareholding ratio in Genertec Minmetals held by the MCC Investors due to the non-participation in the Capital Increase does not constitute a transaction of the Company under Chapter 14 or Chapter 14A of the Listing Rules. This announcement is published by the Company on a voluntary basis.

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

Beijing, the PRC
31 August 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. Ng, Kar Ling Johnny; and one non-executive director: Mr. Yan Aizhong.

* *For identification purpose only*