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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 IPO FOR TEMPORARY SUPPLEMENTATION OF WORKING CAPITAL

References are made to (1) the chapter of “Future Plan and Use of Proceeds” stated in the prospectus published for the initial public offering (“**IPO**”) of H shares of Metallurgical Corporation of China Ltd.* (the “**Company**”, collectively known as the “**Group**” with its subsidiaries) dated 11 September 2009, in relation to the use of proceeds raised from the IPO of H shares of the Company, including funding overseas resources development projects and potential acquisitions of overseas resources; and (2) announcements dated 30 August 2013 and 22 November 2013, respectively, and circular dated 8 October 2013, in relation to (among others) changing the use of HK\$1.833 billion, which was planned to fund overseas resources development projects and potential acquisitions of overseas resources, to funding overseas engineering contracting projects.

The total proceeds from the IPO of H Shares of the Company is approximately HK\$15.585 billion. So far, the Group has accumulatively used approximately HK\$13.116 billion for the disclosed purposes of the Company. The balance of the account designated for the proceeds raised from the IPO of H shares is approximately HK\$2.555 billion (including redeposit earnings and deposit interests), which is fully used as the special fund for the Aynak Copper Mine project, Afghanistan (“**Aynak Project**”).

As the Company is currently negotiating with the Afghanistan government for amending the Aynak project mining contract in aspects of contract scope, product plan, economical efficiency of the project, security measures and conditions for commencing construction, it is estimated that the Aynak Project temporarily may not need a lot of funds in a short period of time, and large amount of proceeds from the IPO of H Shares used for this project will be left idle. In order to improve the efficiency of fund usage, upon approval at the 19th meeting of the second session of the Board, the Company, after reserving RMB40 million (equivalent to approximately HK\$48 million) to guarantee necessary funds for next year's plan of the Aynak Project, will use the idle proceeds for the Aynak project of RMB2.1 billion (equivalent to approximately HK\$2.507 billion) to temporarily replenish working capital for the overseas engineering projects of the Group for a term of one year.

In recent years, the operation of the Company kept favorable continuously, and the Company had sufficient cash flow guarantee. In the event that the Aynak Project makes a great progress and needs more funds input within one year after 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 project funds by batches and deposit the same 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 above mentioned idle proceeds of the Aynak Project for replenishment of working capital used for overseas engineering projects will raise the efficiency of fund usage and reduce financial expenses 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.*
Lin Xiaohui
Company Secretary

Beijing, the PRC
29 March 2016

As at the date of this announcement, the Board of the Company comprises two executive directors: Mr. Guo Wenqing and Mr. Zhang Zhaoxiang; two non-executive directors: Mr. Jing Tianliang and Mr. Lin Jinzhen; and three independent non-executive directors: Mr. Yu Hailong, Mr. Ren Xudong and Mr. Chan Ka Keung Peter.

** For identification purpose only*