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)

2022 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The following is the 2022 first quarterly report of Metallurgical Corporation of China Ltd.* and its subsidiaries. The financial reports therein are prepared in accordance with the Chinese Accounting Standards for Business Enterprises and are unaudited.

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

Beijing, the PRC
29 April 2022

As at the date of this announcement, the Board of the Company comprises executive directors: Mr. Chen Jianguang and Mr. Zhang Mengxing; non-executive directors: Mr. Lang Jia and Mr. Yan Aizhong (employee representative director); and independent non-executive directors: Mr. Zhou Jichang, Mr. Liu Li and Mr. Ng, Kar Ling Johnny.

* *For identification purpose only*

I. IMPORTANT NOTICE

1. The Board and the Supervisory Committee of the Company and its directors, supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this quarterly report, and they severally and jointly accept legal responsibility for the truthfulness, accuracy and completeness of its contents.

2. Chen Jianguang, Chairman of the Company, Zou Hongying, Vice President and Chief Accountant, and Fan Wanzhu, Assistant to President, Deputy Chief Accountant and Head of Finance Department, have declared that they warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

3. Whether the Company's first quarterly report has been audited

   ☐ Yes ☑ No

4. Unless otherwise specified, all the amounts in this report are denominated in RMB.

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: RMB'000

Item	During the Reporting Period	Increase/decrease during the Reporting Period as compared to the corresponding period of the previous year (%)
Operating revenue	118,026,827	25.00
Net profit attributable to shareholders of the listed Company	2,681,072	25.46
Net profit attributable to shareholders of the listed Company after deducting non-recurring profits and losses	2,581,676	27.69
Net cash flow generated from operating activities	-14,542,276	N/A
Basic earnings per share *(RMB/share)*	0.12	20.00
Diluted earnings per share *(RMB/share)*	N/A	N/A
Weighted average return on net assets *(%)*	2.87	Increased by 0.13 percentage points

	At the end of the Reporting Period	At the end of the previous year	Increase/decrease at the end of the Reporting Period as compared with the end of the previous year *(%)*
Total assets	583,639,494	543,470,147	7.39
Owners' equity attributable to shareholders of the listed Company	109,920,780	107,494,977	2.26

(II) Non-recurring profit or loss items and their amounts

Unit: RMB'000

Item	Amount for the Reporting Period
Profit or loss from disposal of non-current assets	7,291
Government subsidies recorded under current profit or loss (excluding those closely related to the normal business operations of the Company, in compliance with requirements of the national policies and granted continuously in a fixed amount or fixed quantity under the standards of the State)	96,106
Profit or loss from the changes in fair values of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from the disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, except for effective hedging transactions under the Company's normal operating business	8,073
Other non-operating income or expenses other than the above items	13,784
Less: Impact on income tax	15,159
Impact on minority shareholders' interests (after tax)	10,699
Total	99,396

Explanations on defining non-recurring profit or loss items as recurring profit or loss items as illustrated in the Explanatory Announcement on Information Disclosure by Companies Offering Their Securities No. 1 – Non-recurring Profit or Loss

☐ Applicable ☑ Not applicable

(III) Changes in major accounting data and financial indicators with reasons

☐ Applicable ☑ Not applicable

II. INFORMATION OF THE SHAREHOLDERS

(I) Total number of ordinary shareholders and shareholders of preference shares with restored voting rights and shareholding of the top ten shareholders (1)

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	424,620	Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (if any)	N/A

Shareholding of the top 10 shareholders

Name of shareholder	Nature of shareholders	Number of shares held	Percentage of shareholding (%)	Number of shares held subject to selling restrictions	Pledged, marked or frozen: Status of shares	Pledged, marked or frozen: Amount
China Metallurgical Group Corporation (中國冶金科工集團有限公司)	State-owned legal person	10,190,955,300	49.18	0	Nil	0
HKSCC Nominees Limited (香港中央結算（代理人）有限公司) (2)	Others	2,842,123,951	13.71	0	Nil	0
PetroChina Company Limited (中國石油天然氣集團有限公司)	State-owned legal person	1,227,760,000	5.92	0	Nil	0
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	State-owned legal person	589,038,427	2.84	0	Nil	0
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	Others	321,307,087	1.55	0	Nil	0
Bank of Communications Co., Ltd – GF China Securities Trading – Index Securities Investment Open-ended Fund (交通銀行股份有限公司－廣發中證基建工程交易型開放式指數證券投資基金)	Others	110,461,700	0.53	0	Nil	0
Bosera Funds - Agricultural Bank – Bosera China Securities and Financial Assets Management Program (博時基金－農業銀行－博時中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0
EFund – Agricultural Bank – EFund China Securities and Financial Assets Management Program (易方達基金－農業銀行－易方達中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0

Shareholding of the top 10 shareholders

Name of shareholder	Nature of shareholders	Number of shares held	Percentage of shareholding *(%)*	Number of shares held subject to selling restrictions	Pledged, marked or frozen	
					Status of shares	Amount
Da Cheng Fund – Agricultural Bank – DaCheng China Securities and Financial Assets Management Program (大成基金－農業銀行－大成中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Program (嘉實基金－農業銀行－嘉實中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Program (廣發基金－農業銀行－廣發中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program (中歐基金－農業銀行－中歐中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0
China AMC Fund – Agricultural Bank – China AMC China Securities and Financial Assets Management Program (華夏基金－農業銀行－華夏中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program (銀華基金－農業銀行－銀華中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Program (南方基金－農業銀行－南方中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0
ICBC Credit Suisse Fund – Agricultural Bank– ICBC Credit Suisse China Securities and Financial Assets Management Program (工銀瑞信基金－農業銀行－工銀瑞信中證金融資產管理計劃)	Others	63,516,600	0.31	0	Nil	0

Shareholding of top ten shareholders not subject to selling restrictions

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Types and number of shares: Types of shares	Types and number of shares: Number of shares
China Metallurgical Group Corporation (中國冶金科工集團有限公司)	10,190,955,300	RMB-denominated ordinary shares	10,190,955,300
HKSCC Nominees Limited (香港中央結算（代理人）有限公司) (2)	2,842,123,951	Overseas-listed foreign shares	2,842,123,951
PetroChina Company Limited (中國石油天然氣集團有限公司)	1,227,760,000	RMB-denominated ordinary shares	1,227,760,000
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	589,038,427	RMB-denominated ordinary shares	589,038,427
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	321,307,087	RMB-denominated ordinary shares	321,307,087
Bank of Communications Co., Ltd. – GF China Securities Trading – Index Securities Investment Open-ended Fund (交通銀行股份有限公司－廣發中證基建工程交易型開放式指數證券投資基金)	110,461,700	RMB-denominated ordinary shares	110,461,700
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program (博時基金－農業銀行－博時中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
EFund – Agricultural Bank – EFund China Securities and Financial Assets Management Program (易方達基金－農業銀行－易方達中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
Da Cheng Fund – Agricultural Bank – DaCheng China Securities and Financial Assets Management Program (大成基金–農業銀行－大成中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Program (嘉實基金－農業銀行－嘉實中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Program (廣發基金－農業銀行－廣發中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program (中歐基金－農業銀行－中歐中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600

Shareholding of top ten shareholders not subject to selling restrictions

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Types and number of shares: Types of shares	Types and number of shares: Number of shares
China AMC Fund – Agricultural Bank – China AMC China Securities and Financial Assets Management Program (華夏基金－農業銀行－華夏中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program (銀華基金－農業銀行－銀華中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Program (南方基金－農業銀行－南方中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
ICBC Credit Suisse Fund – Agricultural Bank– ICBC Credit Suisse China Securities and Financial Assets Management Program (工銀瑞信基金－農業銀行－工銀瑞信中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600

Explanations on the relationships or concerted action among the aforesaid shareholders	The Company is not aware of any relationships or concerted action among the aforesaid shareholders
Explanations on the top ten shareholders and top ten shareholders not subject to selling restrictions involved in margin trading, securities lending and refinancing businesses (if any)	Not Applicable

Notes

(1): Figures in the table were extracted from the Company's register of shareholders as at 31 March 2022.

(2): The H shares held by HKSCC Nominees Limited are held on behalf of various beneficial owners.

III. OTHER REMINDERS

Other important information about the Company's operation during the Reporting Period that investors need to be reminded of

☑ Applicable ☐ Not applicable

The Company signed new contracts with a cumulative value of RMB319.114 billion in the first quarter of 2022, representing an increase of 13.74% as compared with the corresponding period of last year. Among them, the value of newly signed engineering contracts was RMB310.5 billion.

IV. QUARTERLY FINANCIAL REPORT

(I) Auditor's opinion

☐ Applicable ☑ Not applicable

(II) financial statements

CONSOLIDATED BALANCE SHEET
31 March 2022

Prepared by: METALLURGICAL CORPORATION OF CHINA LTD.*

Unit: RMB'000, unaudited

Items	**31 March 2022**	31 December 2021
Current Assets:		
Cash and bank balances	**54,362,559**	41,824,464
Financial assets held for trading	**1,139**	1,107
Derivative financial assets	**132,142**	114,790
Bills receivable	**3,947,292**	3,425,229
Accounts receivable	**91,256,066**	83,881,695
Receivable financing	**10,572,118**	11,857,791
Prepayments	**45,422,072**	46,111,033
Other receivables	**60,985,437**	67,766,635
Of which: Interest receivables	**1,206**	1,038
Dividends receivables	**44,930**	579,445
Inventories	**73,487,951**	61,847,522
Contract assets	**109,270,486**	91,185,630
Non-current assets due within one year	**2,239,482**	2,241,185
Other current assets	**2,317,908**	2,058,563
Total Current Assets	**453,994,652**	412,315,644

Items	**31 March 2022**	31 December 2021
Non-current Assets:		
Long-term receivables	**29,963,600**	30,386,163
Long-term equity investments	**28,892,584**	30,328,766
Investments in other equity instruments	**796,303**	786,855
Other non-current financial assets	**4,713,616**	4,711,041
Investment properties	**7,311,649**	7,327,797
Fixed assets	**24,889,564**	25,117,809
Construction in progress	**4,645,069**	4,379,190
Right-of-use assets	**553,403**	591,878
Intangible assets	**21,062,839**	20,878,147
Goodwill	**55,896**	55,896
Long-term prepayments	**291,837**	293,791
Deferred tax assets	**6,094,317**	6,056,805
Other non-current assets	**374,165**	240,365
Total Non-current Assets	**129,644,842**	131,154,503
Total Assets	**583,639,494**	543,470,147
Current Liabilities:		
Short-term borrowings	**51,891,276**	21,395,848
Derivative financial liabilities	**13,556**	4,413
Bills payable	**40,399,826**	37,616,532
Accounts payable	**167,285,507**	155,265,041
Receipts in advance	**139,335**	135,118
Contract liabilities	**77,067,411**	87,092,166
Employee benefits payable	**2,039,870**	2,055,773
Taxes payable	**4,464,540**	5,097,306
Other payables	**29,847,764**	27,582,380
Of which: Interest payable	**12,208**	8,609
Dividends payable	**484,093**	495,521
Non-current liabilities due within one year	**9,088,789**	13,218,552
Other current liabilities	**9,693,613**	9,426,537
Total Current Liabilities	**391,931,487**	358,889,666

Items	**31 March 2022**	31 December 2021
Non-current Liabilities:		
Long-term borrowings	**28,104,587**	25,332,533
Bonds payable	**1,520,000**	220,000
Lease liabilities	**380,174**	369,145
Long-term payables	**1,027,368**	1,050,081
Long-term employee benefits payable	**3,879,346**	3,887,979
Provisions	**791,353**	811,797
Deferred income	**1,449,473**	1,465,004
Deferred tax liabilities	**63,076**	56,183
Total Non-current Liabilities	**37,215,377**	33,192,722
Total Liabilities	**429,146,864**	392,082,388
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	**20,723,619**	20,723,619
Other equity instruments	**23,700,000**	23,700,000
Including: Perpetual bond	**23,700,000**	23,700,000
Capital reserve	**22,612,919**	22,612,919
Other comprehensive income	**(188,395)**	(201,624)
Special reserve	**12,550**	12,550
Surplus reserve	**2,692,992**	2,692,992
Retained earnings	**40,367,095**	37,954,521
Total owners' equity (or shareholders' equity) attributable to shareholders of the Company	**109,920,780**	107,494,977
Non-controlling interests	**44,571,850**	43,892,782
Total owners' equity (or shareholders' equity):	**154,492,630**	151,387,759
Total liabilities and owners' equity (or shareholders' equity)	**583,639,494**	543,470,147

Legal Representative:	*Person in charge of Accounting:*	*Head of Accounting Department:*
Chen Jianguang	**Zou Hongying**	**Fan Wanzhu**

CONSOLIDATED INCOME STATEMENT
From January to March 2022

Prepared by: METALLURGICAL CORPORATION OF CHINA LTD.*

Unit: RMB'000, unaudited

	Items	First quarter of 2022	First quarter of 2021
I.	**Total operating revenue**	**118,026,827**	94,423,385
	Including: Operating revenue	**118,026,827**	94,423,385
II.	**Total operating costs**	**112,295,501**	89,682,121
	Including: Operating costs	**105,628,217**	83,620,960
	Taxes and levies	**364,346**	676,310
	Selling expenses	**593,738**	547,638
	Administrative expenses	**2,778,663**	2,733,708
	Research and development expenses	**2,627,098**	1,699,799
	Financial expenses	**303,439**	403,706
	Including: Interest expenses	**471,046**	736,273
	Interest income	**410,002**	471,392
	Add: Other income	**55,160**	41,759
	Investment income (Losses are listed with "-")	**(184,458)**	(135,449)
	Including: Income from investments in associates and joint ventures	**102,931**	62,365
	Income from derecognition of financial assets at amortised cost	**(215,855)**	(147,998)
	Gains from changes in fair values (losses are listed with "-")	**8,073**	10,887
	Impairment losses of credit (losses are listed with "-")	**(503,905)**	(643,379)
	Impairment losses of assets (losses are listed with "-")	**(344,310)**	(50,219)
	Gains on disposal of assets (losses are listed with "-")	**7,291**	8,123
III.	**Operating profit (losses are listed with "-")**	**4,769,177**	3,972,986
	Add: Non-operating income	**44,134**	99,909
	Less: Non-operating expenses	**20,294**	18,737
IV.	**Total profit (losses are listed with "-")**	**4,793,017**	4,054,158
	Less: Income tax expenses	**999,492**	1,016,090

Items	**First quarter of 2022**	First quarter of 2021
V. Net profit (Net losses are listed with "-")	**3,793,525**	3,038,068
(I) Net profit classified by operating continuity		
1. Net profit from continuing operations (Net losses are listed with "-")	**3,793,525**	3,038,068
2. Net profit from discontinued operations (Net losses are listed with "-")	**–**	–
(II) Net profit classified by ownership		
1. Net profit attributable to shareholders of the Company (Net losses are listed with "-")	**2,681,072**	2,137,039
2. Profit or loss attributable to minority shareholders (Net losses are listed with "-")	**1,112,453**	901,029
VI. Other comprehensive income, net of tax	**18,801**	(23,360)
(I) Other comprehensive income attributable to owners of the Company, net of tax	**13,229**	(29,909)
1. Items that will not be reclassified into profit or loss	**15,220**	(5,497)
(1) Changes in fair values of other equity instrument investments	**15,220**	(5,497)
2. Items that may be reclassified into profit or loss	**(1,991)**	(24,412)
(1) Changes in fair value of receivable financing	**29,629**	6,563
(2) Currency translation differences	**(31,620)**	(30,975)
(II) Other comprehensive income attributable to minority shareholders, net of tax	**5,572**	6,549

	Items	First quarter of 2022	First quarter of 2021
VII.	**Total comprehensive income**	**3,812,326**	3,014,708
	(I) Total comprehensive income attributable to owners of the Company	**2,694,301**	2,107,130
	(II) Total comprehensive income attributable to minority shareholders	**1,118,025**	907,578
VIII.	**Earnings per share:**		
	(I) Basic earnings per share *(RMB/share)*	**0.12**	0.10
	(II) Diluted earnings per share *(RMB/share)*	**N/A**	N/A

If a merger occurs between businesses under common control during the period, the pre-merger net profit realized by the target is recognized as RMB0, and the net profit realized by the target for the previous period was recognized as RMB0.

Legal Representative:	*Person in charge of Accounting:*	*Head of Accounting Department:*
Chen Jianguang	**Zou Hongying**	**Fan Wanzhu**

CONSOLIDATED CASH FLOW STATEMENT
From January to March 2022

Prepared by: METALLURGICAL CORPORATION OF CHINA LTD.*

Unit: RMB'000, unaudited

	Items	First quarter of 2022	First quarter of 2021
I.	**Cash Flows from Operating Activities:**		
	Cash receipts from the sale of goods and the rendering of services	**119,315,813**	97,453,507
	Receipts of tax refunds	**131,284**	80,744
	Other cash receipts relating to operating activities	**8,409,485**	2,595,257
	Sub-total of cash inflows from operating activities	**127,856,582**	100,129,508
	Cash payments for goods purchased and services received	**122,902,572**	95,485,026
	Cash payments to and on behalf of employees	**7,653,631**	6,753,096
	Payments of various types of taxes	**2,970,066**	2,464,800
	Other cash payments relating to operating activities	**8,872,589**	8,413,699
	Sub-total of cash outflows from operating activities	**142,398,858**	113,116,621
	Net cash flows from operating activities	**(14,542,276)**	(12,987,113)
II.	**Cash Flows from Investing Activities:**		
	Cash receipts from realisation of investments	**29,232**	2,334,234
	Cash receipts from investment income	**45,391**	42,849
	Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	**254,485**	56,567
	Other cash receipts relating to investing activities	**26,465**	3,872,485
	Sub-total of cash inflows from investing activities	**355,573**	6,306,135
	Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	**511,407**	579,333
	Cash payments to acquire investments	**1,816,633**	1,360,066
	Other cash payments relating to investing activities	**186,787**	1,148,272

	Items	First quarter of 2022	First quarter of 2021
	Sub-total of cash outflows from investing activities	**2,514,827**	3,087,671
	Net cash flows from investing activities	**(2,159,254)**	3,218,464
III.	**Cash Flows from Financing Activities:**		
	Cash receipts from capital contributions	**31,222**	30,945
	Including: Cash receipts from capital contributions by minority shareholders of subsidiaries	**31,222**	30,945
	Cash receipts from borrowings	**48,654,295**	18,442,271
	Other cash received relating to financing activities	**1,796,188**	229,317
	Sub-total of cash inflows from financing activities	**50,481,705**	18,702,533
	Cash repayments of borrowings	**18,901,444**	11,801,813
	Cash payments for distribution of dividends or profits or settlement of interest expenses	**1,241,263**	1,381,386
	Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries	**7,449**	–
	Other cash payments relating to financing activities	**138,228**	–
	Sub-total of cash outflows from financing activities	**20,280,935**	13,183,199
	Net cash flows from financing activities	**30,200,770**	5,519,334
IV.	**Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents**	**(8,651)**	152,744
V.	**Net Increase in Cash and Cash Equivalents**	**13,490,589**	(4,096,571)
	Add: Balance of cash and cash equivalents at the beginning of the period	**31,216,824**	42,165,302
VI.	**Balance of Cash and Cash Equivalents at the End of the Period**	**44,707,413**	38,068,731

Legal Representative:	*Person in charge of Accounting:*	*Head of Accounting Department:*
Chen Jianguang	**Zou Hongying**	**Fan Wanzhu**

Details about the adjustments to the financial statements at the beginning of the year after the new accounting standards have been implemented for the first time since 2022

☐ Applicable ☑ Not applicable

The announcement is hereby given.

The Board of Directors of Metallurgical Corporation of China Ltd.*
29 April 2022