
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in METALLURGICAL CORPORATION OF CHINA LTD.*, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED APPROVAL OF THE PROPOSAL OF THE REPORT ON FINAL
ACCOUNTS OF THE COMPANY FOR THE YEAR 2019
PROPOSED APPROVAL OF THE PROPOSAL OF PROFIT DISTRIBUTION
PLAN OF THE COMPANY FOR THE YEAR 2019
PROPOSED APPROVAL OF THE PROPOSAL OF THE EMOLUMENTS OF
DIRECTORS AND SUPERVISORS OF THE COMPANY FOR THE YEAR 2019
PROPOSED APPROVAL OF THE PROPOSAL OF THE PLAN OF
GUARANTEES TO BE PROVIDED BY THE COMPANY FOR THE YEAR 2020
PROPOSED APPROVAL OF THE PROPOSAL OF GRANT OF GENERAL
MANDATE TO THE BOARD OF DIRECTORS TO ISSUE SHARES
AND
PROPOSED APPROVAL OF THE PROPOSAL OF AMENDMENTS TO THE
ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURE FOR
GENERAL MEETINGS**

A letter from the Board of Directors of the Company is set out on pages 1 to 16 of this circular.

A notice convening the AGM (as defined in this circular) to be held at MCC Tower, No. 28 Shuguang Xili, Chaoyang District, Beijing, 100028, the PRC, on Monday, 29 June 2020 at 2:00 p.m., is set out on pages 59 to 61 of this circular. If you intend to appoint a proxy to attend the AGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), not less than 24 hours before the time fixed for the holding of the AGM or any adjourned meeting thereof (excluding any public holiday). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjourned meeting thereof should you so wish.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the accompanying reply slip to Computershare Hong Kong Investor Services Limited (for holders of H Shares) on or before Tuesday, 9 June 2020.

* For identification purposes only

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“A Shares”	domestic shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB;
“AGM”	the 2019 annual general meeting of the Company to be convened and held at MCC Tower, No. 28 Shuguang Xili, Chaoyang District, Beijing, 100028, the PRC, on Monday, 29 June 2020 at 2:00 p.m.;
“Articles of Association”	the articles of association of the Company;
“Board” or “Board of Directors”	the board of directors of the Company;
“Company” or “MCC”	Metallurgical Corporation of China Ltd.* (中國冶金科工股份有限公司), a joint stock company with limited liability incorporated under the laws of the PRC on 1 December 2008, and (unless the context requires otherwise) all of its subsidiaries;
“Director(s)”	the director(s) of the Company, including all Executive, Non-executive and Independent Non-executive Directors;
“Group”	the Company and all of its subsidiaries;
“H Shares”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are listed on the Hong Kong Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

DEFINITIONS

“Notice”	the notice convening the AGM;
“PRC”	the People’s Republic of China, but for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	shareholders of the Company;
“Shares”	share(s) of the Company with a nominal value of RMB1.00 each, which refer(s) to both A Shares and H Shares;
“Supervisors”	the supervisors of the Company;
“Supervisory Committee”	the supervisory committee of the Company; and
“Two Funds”	the accounts receivables and inventories.



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)

Directors:

Mr. Guo Wenqing (*Executive Director*)
Mr. Zhang Zhaoxiang (*Executive Director*)
Mr. Zhou Jichang (*Independent Non-executive Director*)
Mr. Yu Hailong (*Independent Non-executive Director*)
Mr. Ren Xudong (*Independent Non-executive Director*)
Mr. Ng, Kar Ling Johnny (*Independent Non-executive Director*)
Mr. Lin Jinzhen (*Non-executive Director*)

Registered Office/Principal place of business in the PRC:

MCC Tower
No. 28 Shuguang Xili
Chaoyang District
Beijing, 100028
People's Republic of China

Principal place of business in Hong Kong:

Room 3205, 32/F
Office Tower Convention Plaza
1 Harbour Road, Wanchai
Hong Kong

14 May 2020

To the Shareholders

Dear Sir or Madam,

PROPOSED APPROVAL OF THE PROPOSAL OF THE REPORT ON FINAL ACCOUNTS OF THE COMPANY FOR THE YEAR 2019
PROPOSED APPROVAL OF THE PROPOSAL OF PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR THE YEAR 2019
PROPOSED APPROVAL OF THE PROPOSAL OF THE EMOLUMENTS OF DIRECTORS AND SUPERVISORS OF THE COMPANY FOR THE YEAR 2019
PROPOSED APPROVAL OF THE PROPOSAL OF THE PLAN OF GUARANTEES TO BE PROVIDED BY THE COMPANY FOR THE YEAR 2020
PROPOSED APPROVAL OF THE PROPOSAL OF GRANT OF GENERAL MANDATE TO THE BOARD OF DIRECTORS TO ISSUE SHARES
AND
PROPOSED APPROVAL OF THE PROPOSAL OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURE FOR GENERAL MEETINGS

* *For identification purposes only*

LETTER FROM THE BOARD

The AGM will be held at MCC Tower, No. 28 Shuguang Xili, Chaoyang District, Beijing, 100028, the PRC, on Monday, 29 June 2020 at 2:00 p.m. The Notice set out in this circular contains details of the resolutions to be proposed at the AGM. The proxy form and reply slip for the AGM are enclosed with this circular.

1. PROPOSED APPROVAL OF THE PROPOSAL OF THE REPORT ON FINAL ACCOUNTS OF THE COMPANY FOR THE YEAR 2019

According to the requirements of the Ministry of Finance of the PRC, the State-owned Assets Supervision and Administration Commission of the State Council, the China Securities Regulatory Commission, the Shanghai Stock Exchange, the Hong Kong Stock Exchange and institutions at higher levels of the Company for the annual financial report, the Company has completed the preparation work for the financial report for the year 2019, which was audited by Deloitte Touche Tohmatsu CPA LLP (Special General Partnership), and a standard unqualified audit report was issued.

Major indicators of the final accounts of the Company for the year 2019 are as follows:

(1) Revenue and profit

In 2019, the operating revenue increased by RMB49,100 million to RMB338,600 million, representing a year-on-year growth of 17%. Total profit increased by RMB260 million to RMB9,780 million, representing a year-on-year increase of 2.7%. Net profit increased by RMB10 million to RMB7,580 million, representing a year-on-year increase of 0.1%. Net profit attributable to the parent company increased by RMB230 million to RMB6,600 million, representing a year-on-year increase of 3.6%.

(2) Cash flows

In 2019, net cash inflow generated from operating activities amounted to RMB17,600 million, representing a year-on-year increase of inflow of RMB3,500 million. In 2019, net cash outflow generated from investing activities amounted to RMB9,800 million, representing a year-on-year decrease of outflow of RMB1,900 million. In 2019, net cash outflow generated from financing activities amounted to RMB9,200 million, representing a year-on-year increase of outflow of RMB3,200 million.

LETTER FROM THE BOARD

(3) Assets and liabilities

As of the end of 2019, total assets of the Company increased by RMB19,600 million to RMB458,500 million, representing an increase of 4.5% over the end of previous year. Total liabilities increased by RMB5,400 million to RMB341,600 million, representing an increase of 1.6% over the end of previous year. Net assets increased by RMB14,200 million to RMB116,900 million, representing an increase of 13.9% over the end of previous year. Gearing ratio was 74.5%, representing an decrease of 2.1 percentage points over the end of previous year.

For detailed financial data of the Company for the year ended 31 December 2019, please refer to the section headed “Financial Statements” in the 2019 annual report of the Company.

The proposal has been considered and approved at the 14th meeting of the third session of the Board of the Company, and will be proposed for consideration and approval at the AGM of the Company.

2. PROPOSED APPROVAL OF THE PROPOSAL OF PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR THE YEAR 2019

According to the 2019 audited annual financial report of the Company, the net profit attributable to the Shareholders of the listed company in the consolidated statements of MCC for the year 2019 amounted to RMB6,599.7122 million, and the undistributed profit of the head office of MCC amounted to RMB1,920.9056 million. Based on the total number of 20,723,619,170 Shares in the total Share capital, the Board proposed to distribute a cash dividend of RMB0.72 per 10 Shares (tax inclusive) that added up to a total amount of RMB1,492.1 million, representing 77.68% of the distributable profit and 22.61% of the net profit attributable to the Shareholders of listed company in the consolidated statements, by adopting the way of cash dividend distribution. Upon distribution, the remaining distributable profit amounted to RMB428.81 million.

The proposal has been considered and approved at the 14th meeting of the third session of the Board of the Company, and will be proposed for consideration and approval at the AGM of the Company.

3. PROPOSED APPROVAL OF THE PROPOSAL OF THE EMOLUMENTS OF DIRECTORS AND SUPERVISORS OF THE COMPANY FOR THE YEAR 2019

According to the relevant requirements of the Articles of Association, the emoluments of the Directors and the Supervisors for the year ended 31 December 2019 are set out below:

LETTER FROM THE BOARD

Directors' and Supervisors' Emoluments

Unit: RMB

Name	Basic salaries, housing allowances and other allowances, in total	Pension scheme contributions (Pension Insurance borne by the Company)	Discretionary bonus	Total annual remuneration	Remark
Directors					
Guo Wenqing ⁽¹⁾	0	0	0	0	Incumbent
Zhang Zhaoxiang ⁽¹⁾	0	0	0	0	Incumbent
Zhou Jichang	103,476.67	0	0	103,476.67	Incumbent
Yu Hailong	148,020.00	0	0	148,020.00	Incumbent
Ren Xudong	140,020.00	0	0	140,020.00	Incumbent
Chan Ka Keung, Peter	142,020.00	0	0	142,020.00	Resigned
Lin Jinzhen	527,952.00	50,055.48	530,340.00	1,108,347.48	Incumbent
Jing Tianliang ⁽²⁾	20,563.33	0	0	20,563.33	Resigned
Supervisors					
Cao Xiuyun	702,696.00	40,403.10	192,639.17	935,738.27	Incumbent
Zhang Yandi	316,446.00	40,403.10	382,975.00	739,824.10	Incumbent
Chu Zhiqi	316,846.00	40,403.10	332,608.00	689,857.10	Incumbent
Yan Aizhong ⁽³⁾	140,169.00	9,652.38	69,813.00	219,634.38	Resigned
Peng Haiqing ⁽⁴⁾	0	0	0	0	Resigned
Shao Bo ⁽⁵⁾	0	0	0	0	Resigned

Note (1): Mr. Guo Wenqing and Mr. Zhang Zhaoxiang have been working in China Minmetals Corporation since July 2016, and did not receive remuneration in the Company in 2019 due to change in employment relations.

Note (2): Mr. Jing Tianliang ceased to serve as an Executive Director from 12 March 2019, and he received remuneration up to 11 March 2019.

Note (3): Mr. Yan Aizhong ceased to serve as a Supervisor from 12 March 2019, and the period for the disclosure of supervisor's remuneration is from January to February 2019.

Note (4): Mr. Peng Haiqing has been assigned to China Minmetals Corporation since April 2017 in relation to labour relations and employment relations. He did not receive remuneration in the Company in 2019.

Note (5): Mr. Shao Bo has been assigned to China Minmetals Corporation since April 2018 in relation to labour relations and employment relations. He did not receive remuneration in the Company in 2019.

LETTER FROM THE BOARD

The proposal has been considered and approved at the 14th meeting of the third session of the Board of the Company, and will be proposed for consideration and approval at the AGM.

4. PROPOSED APPROVAL OF THE PROPOSAL OF THE PLAN OF GUARANTEES TO BE PROVIDED BY THE COMPANY FOR THE YEAR 2020

The Board proposed that the Company and its subsidiaries provide guarantees of up to RMB15,807 million (or its equivalent in foreign currency, same as below) in 2020 for the purposes of satisfying the guarantee financing requirements of the Company and its subsidiaries and ensuring their normal production, operation and basic construction.

A. The general guarantee plan to be provided by the head office of the Company and its subsidiaries for the year 2020

The Company and its subsidiaries plan to provide guarantees of up to RMB11,807 million (exclusive of the letters of guarantee and acceptance bills to be provided by MCC Finance Corporation Ltd.) for the year 2020, representing 12.05% of the audited net assets of the Company attributable to the Shareholders of the listed company as at the end of 2019, which specifically include:

- (a) the guarantees intended to be provided by the head office of MCC for its subsidiaries amounting to not more than RMB8,832 million;
- (b) the guarantees to be provided by subsidiaries of MCC for the units which fall within the scope of consolidated statements of MCC amounting to not more than RMB2,975 million.

Guarantees under the above guarantee plan is security as stipulated in the Security Law of the People's Republic of China in the form of general line of credit, loan, letter of guarantee, commercial note and trade financing, etc., and the period of such guarantees will be subject to the financing needs of the guaranteed parties and the guarantee contracts to be entered into.

Within the scope of the annual guarantee plan, with the guarantor being unchanged, the guarantee amount for the guaranteed parties, being wholly-owned subsidiaries, may be shared with other wholly-owned subsidiaries and the guarantee amount for the guaranteed parties, being controlling subsidiaries, may be shared with other controlling subsidiaries.

LETTER FROM THE BOARD

B. The letters of guarantee and acceptance bills to be issued by MCC Finance Corporation Ltd.

The amounts of letters of guarantee and acceptance bills expected to be issued by MCC Finance Corporation Ltd. to the Company and its subsidiaries will be in an aggregate amount of RMB4 billion for the year 2020 (representing 4.08% of the audited net assets of the Company attributable to the Shareholders of the listed company at the end of 2019), which can be adjusted for use within the amount of the above guarantee plan.

C. Term of the guarantee plan

The above guarantee plan shall have a term from the date on which it is approved at the 2019 AGM to the convening date of the 2020 annual general meeting.

A total of 32 guaranteed companies are involved in this guarantee plan, including 7 second-tier subsidiaries and 25 third-tier or below subsidiaries of the Company.

D. Authorization to approve specific guarantee business under the guarantee plan

The Board agreed to propose to the AGM of the Company to authorize the Company's president office to approve each specific guarantee business within the scope of the guarantee plan as described below for the Company and its subsidiaries:

- (a) to authorize the Company's president office to approve the specific guarantee business and adjustment matter within the scope of this guarantee plan by MCC and its subsidiaries (exclusive of MCC Finance Corporation Ltd.);
- (b) to authorize MCC Finance Corporation Ltd. to use the amount under letters of guarantee and acceptance bills within the scope of this guarantee plan.

The proposal has been considered and approved at the 14th meeting of the third session of the Board of the Company, and will be proposed for consideration and approval at the AGM.

Details of the above proposals are set out in the overseas regulatory announcement in relation to the guarantee plan of the Company published on the Hong Kong Stock Exchange's and the Company's websites on 31 March 2020.

LETTER FROM THE BOARD

5. PROPOSED APPROVAL OF THE PROPOSAL OF GRANT OF GENERAL MANDATE TO THE BOARD OF DIRECTORS TO ISSUE SHARES

In order to satisfy the Company's business need for sustainable development, and flexibly and effectively leverage on the financing platforms of both Shanghai and Hong Kong, the Board shall, in accordance with the relevant laws and regulations of the PRC, the listing rules of the place where the securities of the Company are listed, and the Articles of Association, propose at the AGM by way of special resolution to approve the grant of general mandate to the Board to issue Shares.

In respect of such general mandate, the authorization is defined as:

A. Subject to the conditions set out in paragraphs (a), (b) and (c) below, the Board be and is hereby unconditionally granted all powers and authorities of the Company to separately or concurrently allot, issue and/or deal with additional A Shares and/or H Shares, and to make or grant offers, agreements, options or conversion rights in respect thereof:

(a) such mandate shall not extend beyond the Relevant Period save that the Board of Directors during the Relevant Period makes or grants offers, agreements, options or conversion rights which might require the exercise of such offers, agreements, options or conversion rights upon or after the end of the Relevant Period;

For the purposes of this resolution, "Relevant Period" means the period from the date of the passing of this resolution until the earliest of:

- (1) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (2) the date of expiration of the 12-month period following the passing of this resolution;
- (3) the date on which the authority granted to the Board by this resolution is revoked or varied by a special resolution of the Shareholders of the Company in any general meeting.

(b) the number of the A Shares and/or H Shares to be allotted, issued and/or dealt with or agreed conditionally or unconditionally to be allotted, issued and/or dealt with by the Board shall not exceed 20% of the number of each of the A Shares and/or H Shares of the Company in issue as at the date of passing this resolution;

LETTER FROM THE BOARD

- (c) the Board will only exercise its power under such mandate in accordance with the laws and regulations of the PRC, the listing rules of the place where the securities of the Company are listed and all applicable laws, regulations and rules of any other government or regulatory authorities (as amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and other relevant PRC government authorities are obtained.
- B. Contingent on the Board resolving to allot, issue and deal with Shares pursuant to this resolution, the Board be and is hereby authorized to approve, execute and deal with or procure to be executed and dealt with, all such documents, deeds and matters as it may consider necessary in connection with the issuance of, allotment of and dealing with such Shares including, but not limited to, determining the size of the issue, the issue price, the use of proceeds from the issue, the target of the issue, the place and time of the issue, issuance arrangement by tranche, making all necessary applications to relevant authorities, entering into any agreements, and making all necessary registrations and filings with relevant regulatory authorities in the PRC and Hong Kong.
- C. The Board of Directors be and is hereby authorized to make such amendments to the Articles of Association as it thinks appropriate and necessary in due course so as to reflect the new share capital structure and registered capital of the Company by reference to the actual situations, such as the manner of the issuance, class and number of Shares the Company issued, as well as the share capital structure of the Company following such issuance; and to take any other necessary actions and to go through any necessary procedures (including but not limited to obtaining approvals from relevant regulatory authorities and completing registration and filing procedures with the department in charge of industrial and commercial administration) to give effect to the issuance of Shares under this resolution.
- D. For the purpose of enhancing efficiency of the decision-making process, it is proposed to the general meeting that the Board shall, subject to the obtaining of the above mandate, delegate the Chairman to deal with and handle specific matters related to the issuance of Shares.

In accordance with the relevant domestic laws and regulations of the PRC, the Board shall still be required to submit any specific matters in respect of the issuance of A Shares to all Shareholders at the general meeting for consideration and approval even if it has obtained the above general mandate.

The resolution has been considered and approved at the 15th meeting of the third session of the Board of the Company, and will be proposed for consideration and approval at the AGM.

LETTER FROM THE BOARD

6. PROPOSED APPROVAL OF THE PROPOSAL OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURE FOR GENERAL MEETINGS

According to the Reply on the Adjustment of the Provisions Applicable to the Notice Period of Convening General Meetings of Shareholders and Other Matters Applicable to the Companies Listed Abroad (Guo Han [2019] No. 97) issued by the State Council in October 2019, and taking into consideration the actual situation of the Company and making reference to the common practice of similar listed companies, the Company proposes to make amendments to certain provisions in its Articles of Association and the Rules of Procedure for the General Meetings, particulars of which are as follows:

A. Amendments to the Articles of Association

The original articles	The articles after amendments
<p>Article 46 No registration of the changes relating to Share transfer shall be made in the register of Shareholders <u>within 30 days prior to the Shareholders' general meeting or within 5 days prior to the reference date on which dividends are to be distributed as determined by the Company. This Article shall not be applicable to the registration of changes in Shareholder's register in issuing new Shares in accordance with Article 27 of the Articles of Association.</u></p>	<p>Articles 46 No registration of the changes relating to Share transfer shall be made in the register of Shareholders within 5 days prior to the reference date on which dividends are to be distributed as determined by the Company. <u>The registration of changes in the Shareholder's register resulting from transfer of Shares prior to a general meeting shall comply with relevant laws, administrative regulations, departmental regulations, regulatory documents and the requirements of the relevant stock exchange or regulatory bodies in the place where the Company's Shares are listed.</u></p>
<p>Article 76 If the Company holds the General Meeting</p> <p>Shareholders independently or collectively holding more than 3% of the Company Shares may come up with special proposals and submit them to the convener <u>10</u> days before the General Meeting. The convener shall serve a supplementary notice on the General Meeting within <u>2</u> days after receipt of such proposals and announce the contents of such special proposals.</p> <p>.....</p>	<p>Article 76 If the Company holds the General Meeting.....</p> <p>Shareholders independently or collectively holding more than 3% of the Company Shares may come up with special proposals and submit them to the convener <u>15 business</u> days before the General Meeting. The convener shall serve a supplementary notice on the General Meeting within <u>5 business</u> days after receipt of such proposals and announce the contents of such special proposals.</p> <p>.....</p>

LETTER FROM THE BOARD

The original articles	The articles after amendments
<p>Article 77 Before holding the General Shareholders Meeting, the Company shall issue a prior written notice 45 days before the meeting to the Shareholders registered in the list of Shareholders. The Shareholders planning to attend the General Meeting shall give a written reply on their participation in the meeting to the Company 20 days before the meeting is held.</p> <p>.....</p> <p>The announcement mentioned in the previous paragraph shall be published in one or more newspapers designated by the securities regulator of the State Council 45-50 days before the meeting is held. Once such announcement is published, all local Shareholders shall be deemed to have received the notice of the General Meeting.</p>	<p>Article 77 Before holding <u>an Annual General Meeting</u>, the Company shall issue a prior written notice 20 business days before the meeting to the Shareholders registered in the list of Shareholders. <u>Before holding an Extraordinary General Meeting, the Company shall issue a prior written notice 15 days or 10 business days (whichever is longer) before the meeting to the Shareholders registered in the list of Shareholders.</u> The Shareholders planning to attend the General Meeting shall give a written reply on their participation in the meeting to the Company <u>within the period specified in the notice.</u></p> <p>.....</p> <p>The announcement mentioned in the previous paragraph shall be published in one or more newspapers designated by the securities regulator of the State Council before the meeting is held. Once such announcement is published, all local Shareholders shall be deemed to have received the notice of the General Meeting.</p>

LETTER FROM THE BOARD

The original articles	The articles after amendments
<p>Article 78 The Company shall <u>calculate</u> the Shares with voting rights represented by the Shareholders planning to attend the meeting according to the written replies received <u>20 days before the General Meeting is held. The Company may hold the General Shareholders Meeting when the Shares with voting rights represented by the Shareholders planning to attend the meeting exceed half of the total Shares of the Company with voting rights; failing which, the Company shall notify the Shareholders again of the issues to be reviewed, the date and venue of the meeting in the form of an announcement within 5 days and the meeting may be convened after such announcement has been published.</u></p> <p><u>The Extraordinary General Meeting shall not to resolve any issues not specified in the announcement.</u></p>	<p>Article 78 The Company shall <u>count</u> the Shares with voting rights represented by the Shareholders planning to attend the meeting according to the written replies received <u>within the time period stipulated by Article 77 of the Articles of Association.</u></p>
<p>Article 129 Written notice of a Class Shareholders' meeting convened by the Company shall be dispatched <u>45 days prior to the date of the class Shareholders' meeting</u> to all Shareholders of such class whose names appear on the register of Shareholders, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend <u>20 days prior to the date of the meeting.</u></p> <p>.....</p>	<p>Article 129 Written notice of a Class Shareholders' meeting convened by the Company shall be dispatched <u>with reference to the notice period for general meetings under Article 77 of the Articles of Association,</u> to all Shareholders of such class whose names appear on the register of Shareholders, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend <u>within the period specified in the notice.</u></p> <p>.....</p>

LETTER FROM THE BOARD

B. Amendments to the Rules of Procedure for General Meetings

The original articles	The articles after amendments
<p>Articles 18 Shareholders independently or collectively holding more than 3% of the Company Shares may come up with special proposals and submit them to the convener 10 days before the General Meeting. The convener shall serve a supplementary notice on the General Meeting within 2 days after receipt of such proposals and announce the contents of such special proposals.</p> <p>.....</p>	<p>Articles 18 Shareholders independently or collectively holding more than 3% of the Company Shares may come up with special proposals and submit them to the convener 15 business days before the General Meeting. The convener shall serve a supplementary notice on the General Meeting within 5 business days after receipt of such proposals and announce the contents of such special proposals.</p> <p>.....</p>
<p>Article 19 Before holding the General Shareholders Meeting, the Company shall issue a prior written notice 45 days before the meeting to the Shareholders registered in the list of Shareholders. The Shareholders planning to attend the General Meeting shall give a written reply on their participation in the meeting to the Company 20 days before the meeting is held.</p> <p>.....</p>	<p>Article 19 Before holding <u>an Annual General Meeting</u>, the Company shall issue a prior written notice 20 business days before the meeting to the Shareholders registered in the list of Shareholders. <u>Before holding an Extraordinary General Meeting, the Company shall issue a prior written notice 15 days or 10 business days (whichever is longer) before the meeting to the Shareholders registered in the list of Shareholders.</u> The Shareholders planning to attend the General Meeting shall give a written reply on their participation in the meeting to the Company <u>within the period specified in the notice.</u></p> <p>.....</p>

LETTER FROM THE BOARD

The original articles	The articles after amendments
<p>Article 20 The Company shall calculate the Shares with voting rights represented by the Shareholders planning to attend the meeting according to the written replies received <u>20 days before the General Meeting is held. The Company may hold the General Shareholders Meeting when the Shares with voting rights represented by the Shareholders planning to attend the meeting exceed half of the total Shares of the Company with voting rights; failing which, the Company shall notify the Shareholders again of the issues to be reviewed, the date and venue of the meeting in the form of an announcement within 5 days and the meeting may be convened after such announcement has been published.</u></p>	<p>Article 20 The Company shall count the Shares with voting rights represented by the Shareholders planning to attend the meeting according to the written replies received <u>within the time period stipulated by Article 19 of the Rules of Procedure.</u></p>
<p>Article 65 Written notice of a Class Shareholders’ meeting convened by the Company shall be dispatched <u>45 days prior to the date of the class Shareholders’ meeting</u> to all Shareholders of such class whose names appear on the register of Shareholders, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend <u>20 days prior to the date of the meeting.</u></p> <p>.....</p>	<p>Article 65 Written notice of a Class Shareholders’ meeting convened by the Company shall be dispatched <u>with reference to the notice period for general meetings under Article 19 of the Rules of Procedure,</u> to all Shareholders of such class whose names appear on the register of Shareholders, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend <u>within the period specified in the notice.</u></p> <p>.....</p>

The resolution has been considered and approved at the 15th meeting of the third session of the Board of the Company, and will be proposed for consideration and approval at the AGM.

LETTER FROM THE BOARD

7. PERFORMANCE REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the Articles of Association, the Independent Non-executive Directors shall issue a performance report at the Company's AGM. Such report will be submitted to the Shareholders for consideration but not for the Shareholders' approval. The performance report of the Independent Non-executive Directors of the Company is set out in Appendix I to this circular for the Shareholders' reference.

THE AGM

The AGM will be held for the purposes of, among other things, considering and approving the following resolutions by the Shareholders:

- (1) the proposal in relation to the "Work Report of the Board of MCC for the Year 2019" (see Appendix II)
- (2) the proposal in relation to the "Work Report of the Supervisory Committee of MCC for the Year 2019" (see Appendix III)
- (3) the proposal in relation to the report on final accounts of the Company for the year 2019 (as set out in the 2019 annual report of the Company)
- (4) the proposal in relation to the profit distribution plan of the Company for the year 2019
- (5) the proposal in relation to the emoluments of Directors and Supervisors of the Company for the year 2019
- (6) the proposal in relation to the plan of guarantees to be provided by the Company for the year 2020
- (7) the proposal in relation to the grant of general mandate to the Board of Directors to issue Shares
- (8) the proposal in relation to the amendments to the Articles of Association and the Rules of Procedure for General Meetings

LETTER FROM THE BOARD

CLOSURE OF H SHARES REGISTER OF MEMBERS

In order to ascertain the Shareholders who will be qualified to attend and vote at the AGM, the H Shares register of members of the Company will be closed from Friday, 29 May 2020 to Monday, 29 June 2020, both days inclusive. All completed transfer documents together with the relevant share certificate(s) must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 28 May 2020 for registration. Details of the AGM are set out in the Notice dated 14 May 2020.

A form of proxy and reply slip applicable for the AGM are enclosed with this circular. If you intend to appoint a proxy to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon. In order to be valid, the form of proxy together with the power of attorney or other authorization document (if any) shall be deposited at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the AGM (excluding any public holiday). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

For information purpose, holders of H Shares who intend to attend the AGM in person or by proxy shall return the reply slip to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, on or before Tuesday, 9 June 2020 by hand, by post or by fax (Fax: (852) 2865 0990).

VOTING BY WAY OF POLL

In accordance with the Articles of Association and the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the Notice will be voted by way of poll. Voting results will be uploaded to the website of the Company (www.mccchina.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) as soon as possible after the conclusion of the AGM.

LETTER FROM THE BOARD

GENERAL RECOMMENDATION

The Directors are of the opinion that the proposed resolutions set out in the Notice are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of these proposed resolutions.

Yours faithfully

By order of the Board

Metallurgical Corporation of China Ltd.*

Guo Wenqing

Chairman and Executive Director

**PERFORMANCE REPORT OF
THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF
METALLURGICAL CORPORATION OF CHINA LTD.* FOR THE YEAR 2019**

Dear Shareholders and Shareholders' representatives,

In 2019, as the Independent Directors of the second and the third session of the Board of Metallurgical Corporation of China Ltd.* (“MCC” or the “Company”), we exercised our powers and functions independently, fairly and responsibly in strict compliance with the relevant laws and regulations such as the “Company Law of the People’s Republic of China”, the “Securities Law of the People’s Republic of China”, the “Guidelines for Introducing Independent Directors to the Board of Directors of Listed Companies” (《關於在上市公司建立獨立董事的指導意見》) issued by the China Securities Regulatory Commission and the “Certain Provisions in Respect of Strengthening the Protection of Interests of Public Shareholders” (《關於加強社會公眾股股東權益保護的若干規定》), as well as the rules and regulations including the “Articles of Association of Metallurgical Corporation of China Ltd.”, and the “Rules for the Work of Independent Directors of Metallurgical Corporation of China Ltd.” (《中國冶金科工股份有限公司獨立董事工作制度》) and with a diligent and conscientious working attitude. We timely learned the production and operating information of the Company, comprehensively monitored its development, attended in person its Board meetings and meetings of the special committees, carefully considered proposals and gave our opinions on significant events independently, objectively and prudently, and fully played our role as Independent Directors, which promoted the standard operation of the board of directors and various special committees and the continuous improvement of corporate governance, effectively protected the interests of the Company as a whole and safeguarded the legitimate interests of all Shareholders, in particular, the minority Shareholders. Major work performed during for the year 2019 is summarized as follows:

I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTORS

(I) Biographies

The second session of the Board of the Company consists of seven members, three of whom are Independent Directors, including: Yu Hailong, Ren Xudong and Chan Ka Keung, Peter ; On 12 March 2019, the Company convened the first extraordinary general meeting of 2019 to elect the members of the third session of the Board. The third session of the Board of the Company consists of seven members, four of whom are Independent Directors, including: Zhou Jichang, Yu Hailong, Ren Xudong, and Chan Ka Keung, Peter.

Director Zhou Jichang currently serves as a member of the Strategy Committee, Finance and Audit Committee as well as Remuneration and Appraisal Committee of the Board. Director Zhou Jichang also serves as an independent director of Shenzhen Overseas Chinese Town Co., Ltd. (深圳華僑城股份有限公司).

Director Yu Hailong currently serves as a member of the Finance and Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee of the Board, as well as the convener of the Remuneration and Appraisal Committee. Director Yu Hailong also serves as an independent director of China State Construction Engineering Corporation Limited (中國建築股份有限公司) and Shenzhen Overseas Chinese Town Co., Ltd. (深圳華僑城股份有限公司).

Director Ren Xudong currently serves as a member of the Nomination Committee and the Remuneration and Appraisal Committee of the Board, as well as the convener of the Nomination Committee. Director Ren Xudong also serves as the managing vice president and deputy secretary of the Communist Party Committee of China Nonferrous Metals Industry Association (中國有色金屬工業協會), an independent director of Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd. (深圳市中金嶺南有色金屬股份有限公司), an external director of China Aerospace Science and Industry Corporation Limited (中國航天科工集團有限公司) and an external director of China Reform Holdings Corporation Ltd. (中國國新控股有限公司).

Director Chan Ka Keung, Peter currently serves as a member and the convener of the Finance and Audit Committee of the Board. Director Chan Ka Keung, Peter, also serves as an independent director of China Railway Signal & Communication Corporation Limited (中國鐵路通信信號股份有限公司) and an independent director of Minmetals Resources Limited (五礦資源有限公司).

The detailed biographies of Independent Directors are set out in the 2019 annual report of the Company.

(II) Independence

Neither Independent Directors nor their immediate relatives and any persons with major social relationship with them are employed by the Company or its subsidiaries, nor hold either directly or indirectly 1% or more of the issued Shares of the Company. None of them are amongst the top ten Shareholders of the Company, nor hold office in Shareholder entities holding either directly or indirectly 5% or more of the issued Shares of the Company, nor hold office in the top five Shareholders entities of the Company.

None of the Independent Directors provides financial, legal, management consultancy, technical consultancy and other services to the Company or its subsidiaries, or has acquired any other additional benefits from the Company, its substantial Shareholders or interested institutions or employees that have not been disclosed.

Accordingly, all Independent Directors are equipped with independence as required by the “Guidelines for Introducing Independent Directors to the Board of Directors of Listed Companies” (《關於在上市公司建立獨立董事制度的指導意見》) issued by the China Securities Regulatory Commission and there is no event which may have impact on their independence.

II. OVERVIEW OF THE PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTORS FOR THE YEAR

In 2019, the Board of the Company proactively expanded the communication channels and promoted the optimization of an information-sharing system to ensure that Independent Directors were able to keep abreast of true and reliable information in a timely, comprehensively and complete manner, thus safeguarding the effective performance of the duties by Independent Directors. With the active support and assistance from the Company at all levels, all Independent Directors diligently discharged their duties and effectively fulfilled the duties prescribed by laws and regulations.

(1) Guarantee of duty performance by Independent Directors

Firstly, in the course of operation of the Board, the Company further requires its departments and subsidiaries to create a favorable environment and conditions for Independent Directors to perform their duties, and to regularly submit the information in relation to the operation of the Company to each Independent Director. The advice and opinions on the production and operation of the Company made by Independent Directors are fully respected, carefully listened to, humbly accepted and actively implemented, so as to promote the sound development of businesses of the Company.

Secondly, prior to the consideration of significant events such as strategic management and control, major investment and financing, financial budget and final accounts, audit and internal control, management’s examination and remuneration, sufficient time is reserved for prior comprehensive study by the special committees of the Board to form special audit opinions and the conveners of each of the special committees to give their opinions at the Board meetings, thereby giving prominence to professional discussion and consultation function of the special committees and improving the scientific decision-making of the Board.

Thirdly, through means such as participating in training, study, researches and surveys, Independent Directors could constantly enhance their duty performance ability, which provides support for the Board to make decisions in a scientific manner.

(2) Actively attending various meetings and fulfilling the duties of Independent Directors

1. General meetings

On 12 March 2019, the Company convened the first extraordinary general meeting of 2019, and Yu Hailong, Ren Xudong, Chan Ka Keung, Peter, being the Independent Directors, and Zhou Jichang, being the then candidate for Independent Director, attended the meeting.

On 26 June 2019, the Company convened the 2018 annual general meeting, and Zhou Jichang, Ren Xudong and Chan Ka Keung, Peter, being the Independent Directors, attended the meeting.

2. Board meetings

In 2019, the Company convened 11 Board meetings in total, including 9 meetings held by way of on-site meeting and 2 meetings held through communication tools. The Board considered proposals and heard reports totalling 94 and passed 80 resolutions.

Each Independent Director attended in person or duly appointed other Independent Directors according to laws on their behalf to attend the above-mentioned meetings, the details of which are as follow:

Name	Number of attendance at Board meetings required for the year	Number of meetings attended in person	Number of attendance through communication tools	Number of meetings attended by proxy	Number of absence
Zhou Jichang	10 ¹	10	2	0	0
Yu Hailong	11	8	2	3	0
Ren Xudong	11	10	2	1	0
Chan Ka Keung, Peter	11	11	2	0	0

Prior to the meetings, each Independent Director carefully considered the relevant documents, raised concerns and issues in a timely manner and communicated with the management or relevant departments of the Company to make a deep understanding of situations and to obtain information. At the meetings, they earnestly considered each issue, actively participated in discussions, provided recommendations and opinions, and expressed independent views on all decisions made by the Board. Meanwhile, the Independent Directors exercised their voting rights independently, thereby ensuring the independence of decision-making of the Board.

¹ In 2019, the second session of the Board of the Company convened 1 board meeting, and the third session of the Board convened 10 Board meetings. Zhou Jichang as a Director of the third session of the Board was required to attend 10 Board meetings for the year.

3. Meetings of special committees of the Board

The participation of the second session of Independent Directors in special committees is as follows:

Special Committee	Members	Independent Director	Convener
Finance and Audit Committee	3	Yu Hailong and Chan Ka Keung, Peter	Chan Ka Keung, Peter
Nomination Committee	3	Yu Hailong and Ren Xudong	Ren Xudong
Remuneration and Appraisal Committee	3	Yu Hailong and Ren Xudong	Yu Hailong

In 2019, the second session of special committees of the Board held 2 meetings in total, at which 4 topics were discussed, among which, the Finance and Audit Committee held 1 meeting, at which 2 issues were considered and discussed; the Nomination Committee held 1 meeting, at which 2 issues were studied and discussed.

The participation of the third session of Independent Directors in special committees is as follows:

Special Committee	Members	Independent Director	Convener
Strategy Committee	3	Zhou Jichang	Guo Wenqing
Finance and Audit Committee	3	Chan Ka Keung, Peter, Zhou Jichang and Yu Hailong	Chan Ka Keung, Peter
Nomination Committee	3	Yu Hailong and Ren Xudong	Ren Xudong
Remuneration and Appraisal Committee	3	Yu Hailong, Zhou Jichang Yu Hailong and Ren Xudong	

In 2019, the third session of special committees held 9 meetings in total, at which 43 topics were discussed, among which, the Finance and Audit Committee held 6 meetings, at which 37 issues were considered and discussed; the Nomination Committee held 1 meeting, at which 3 issues were studied and discussed; and the Remuneration and Appraisal Committee held 2 meetings, at which 3 issues were studied and discussed.

The attendance of each Independent Director at meetings of special committees is as follows:

Name	Number of meetings of special committees attended during the year	Finance	Nomination	Remuneration
		and Audit Committee (Times)	Committee (Times)	and Appraisal Committee (Times)
Zhou Jichang	8	6	–	2
Yu Hailong	11	7	2	2
Ren Xudong	7	3 (attended as a non-voting delegate) ²	2	2
Chan Ka Keung, Peter	7	7	–	–

In the course of performing their duties in the above special committees, all Independent Directors leveraged on their respective professional knowledge, management experience and qualification and adhered to the professional ethics of diligence to provide professional opinions and constructive advice on the appointment of auditors, auditing of the Company’s annual financial report, key financial indicators and financial report of the Company, implementation of internal control system and performance appraisal of senior management and emolument distribution, thereby providing reference for the decision-making of the Board and ensuring that the decision-making of the Board is objective, fair and scientific.

(3) Earnestly considering significant matters and prudently issuing opinions

In 2019, each Independent Director earnestly reviewed the matters submitted to the Board for decision, in particular, significant matters requiring special attention of Independent Directors, and expressed independent views or issued explanations on the following matters in accordance with relevant laws and regulations:

1. The “Proposal in Relation to the Appointment of Vice President of MCC” (the 49th meeting of the second session of the Board)
2. The “Proposal in Relation to the Nomination of the Members of the Third Session of the Board by CMGC” (the 49th meeting of the second session of the Board)

² Ren Xudong as an Independent Director attended a total of three meetings of the Finance and Audit Committee as a non-voting delegate.

3. The “Proposal in Relation to the Participation of CISDI in Establishment of a Joint Venture Company, China Minmetals Corporation Ore Holding Co.,Ltd.” (the 49th meeting of the second session of the Board)
4. The “Proposal in Relation to the Profit Distribution Plan of MCC for the Year 2018” (the second meeting of the third session of the Board)
5. The “Proposal in Relation to Temporary Use of Idle Funds Raised from IPO of A Shares as Supplementary Working Capital” (the second meeting of the third session of the Board)
6. The “Proposal in Relation to the Use of Idle Funds Raised from H Share Issuance as Supplementary Working Capital” (the second meeting of the third session of the Board)
7. The “Proposal in Relation to the Emoluments of Directors and Supervisors of MCC for the Year 2018” (the second meeting of the third session of the Board)
8. The “Proposal in Relation to the Plan of Guarantees to be provided by MCC for the Year 2019” (the second meeting of the third session of the Board)
9. The “Explanation Regarding the Situation of Guarantees of MCC for the Year 2018” (the second meeting of the third session of the Board)
10. The “Proposal in Relation to the Application for Annual Caps for the Ordinary Connected Transactions/Continuing Connected Transactions for 2020 to 2022 and the Entering into of Connected Transactions Agreement” (the third meeting of the third session of the Board)
11. The “Proposal in Relation to MCC Real Estate and MCC 20 to Provide Financing Guarantee for Zhuhai Hengqin Headquarters Building Development Co., Ltd.” (the 6th meeting of the third session of the Board)
12. The “Proposal in Relation to the Adjustment of the Shareholding Structure of the Project Company and the Fund Subscription Scheme for Phase II Construction Project of Guiyang City Rail Transit Line 2 by Shanghai Baoye” (the 6th meeting of the third session of the Board)
13. The “Proposal in Relation to the Ordinary Connected Transactions for 2020 to 2022 and the Entering into of Connected Transactions Agreement Between Subsidiaries of MCC and MCC Amperex” (the 6th meeting of the third session of the Board)

14. The “Proposal in relation to 22 MCC’s Proposed Acquisition of 10% Equity Interest in China Minmetals Group (Tangshan Caofeidian) Ore Holdings Co., Ltd.* and Request for Capital Increase” (the 8th meeting of the third session of the Board)
 15. The “Proposal in Relation to the Application of MCC Communication for the Establishment of Accounts Receivable Asset-backed Securities Business with Minmetals Securities” (the 8th meeting of the third session of the Board)
 16. The “Proposal in Relation to the Increase in Capital of General China Minmetals Hospital by MCC 5, MCC 17 and MCC 19 at the Consideration of the Assets thereof” (the 10th meeting of the third session of the Board)
- (4) **Actively conducting on-site inspection and strengthening an in-depth understanding of operating conditions**

1. *Investigation and Research on Baowu Group Guangdong Shaoguan Iron and Steel Plant*

From 28 April to 30 April 2019, in order to fully learn the implementation status and development of the Company’s strategy of the “national team of metallurgical construction”, Zhou Jichang, Yu Hailong, Ren Xudong and Chan Ka Keung, Peter, being Independent Directors, visited Baowu Group Guangdong Shaoguan Iron and Steel Plant to conduct investigation and research and direct the work. They heard the work report of CISDI Group Corp. Ltd. and have made an onsite visit to the Baowu Group Shaoguan Iron and Steel Intelligent Centralized Control Center project.

2. *Investigation and Research on subsidiaries in Wuhan and Changsha*

From 16 September to 20 September 2019, in order to better follow up the implementation status of the strategy of “leading as the national team of metallurgical construction, backbone of the infrastructure construction and pioneer in emerging sectors, and insisting on the path of high tech and high quality growth in a long run” by subsidiaries, and also learn the business presence and development of key projects in the urban cluster along the middle reaches of the Yangtze River, Zhou Jichang, Yu Hailong, Ren Xudong and Chan Ka Keung, Peter, as Independent Directors, travelled to Wuhan and Changsha and visited China First Metallurgical Group Co., Ltd. (“**China First Metallurgical**”), WISDRI Engineering & Research Incorporation Limited (“**WISDRI**”), Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC (“**WSGRI**”), and Zhong Ye Chang Tian International Engineering Co., Ltd. (“**CIE**”) to conduct investigation and research and direct the work.

During the investigation and research visit at China First Metallurgical, our Directors carefully heard the reporting of its business development, market exploration, brand building etc., visited the its exhibition hall, and visited the sites of the Qingshan Beach Comprehensive Improvement Project in Wuhan (武漢青山江灘綜合整治項目) and Riverside Environment Comprehensive Improvement Project of Fankou, Ezhou (鄂州樊口沿江環境綜合整治工程項目). At WISDRI, the Directors learned in detail its development strategy, business presence, technology research and development, team building, etc., visited the office park of WISDRI, and visited the sites of Wuhan Optics Valley Bridge Project, Optics Valley Avenue Project and the Third Cold Rolling Plant Project of WISCO. At WSGRI, the Directors heard the reporting of its development strategy, business structure and representative projects and development of major work in 2019, and visited the geotechnical laboratory of WSGRI. At CIE, the Directors heard the reporting of its operation, reform and development, and visited the site of the project of the Fifth Xiangya Hospital in Changsha.

3. Investigation and Research on Middle East branch

From 26 November to 4 December 2019, in order to better learn the development of overseas business of the Company, Zhou Jichang, Yu Hailong, Ren Xudong and Chan Ka Keung, Peter, as Independent Directors, travelled to Kuwait and Saudi Arabia to conduct investigation and research and direct the work.

During the visit in Kuwait, Independent Directors heard the reporting of its market exploration status in Kuwait from MCC's Middle East branch, and paid an on-site visit to the projects, including the Project for Petroleum Engineering Institution and Technology Institution of Kuwait University (科威特大學城石油學院、科技學院), RA223 Road Project, RA259 Road Project and Kuwait Healthcare Hospital (科威特醫保醫院) Project. During the visit in Saudi Arabia, Independent Directors heard the reporting of the market exploration status in Saudi Arabia from MCC's branch in Saudi Arabia, and visited the sites of project office in Al Kharj for the affordable housing project of Housing Department of Saudi Arabia(沙特住房部保障房項目阿爾卡吉項目部) and the YAMAMA Cement Plant Project. During the visit, Independent Directors also carefully studied the issue how to promote the high quality and sustainable development of MCC's overseas business, and provided specific advice in this regard.

III. KEY CONCERNS ON THE PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTORS FOR THE YEAR

In 2019, each Independent Director performed the duties of Independent Directors diligently and in good faith, attended meetings as scheduled, comprehensively and timely studied the business development of the Company, conducted investigation and research on specific matters in due course, such as the production and operation, financial management, internal control system establishment, utilization of proceeds, connected transactions, and daily operations, and heard specific reports from relevant officers in order to obtain information and materials required for decision-making and to point out potential risks that the Company may face. Meanwhile, Independent Directors utilized their own knowledge and background in the course of performance of routine duties to provide constructive opinions to the development and standardized operation of the Company and actively and effectively performed the duties of Independent Directors, which in turn has made positive contributions to the scientific decision-making of the Board. Key concerns for 2019 are as follows:

(1) Connected transactions

During the reporting period, each Independent Director has conducted prior inspection of all matters involving connected transactions of the Company, and issued their independent opinion. They were of the view that decision-making of connected transactions and voting procedures were in compliance with the requirements of laws and regulations as well as the Articles of Association. The parties to the transactions followed the law of the market, entered into the agreement based on the principles of voluntariness, equality and mutual benefit, and shall be entitled to rights and perform duties as agreed. No such connected transactions would harm the interests of the Company and non-connected Shareholders, especially minority Shareholders, nor would they establish the reliance of the Company's business on related parties.

(2) External guarantees

The Independent Directors considered the annual guarantee plan of the Company and reviewed its external guarantees in accordance with the provisions under the "Notice Concerning the Regulation on the Flow of Funds between Listed Companies and their Related Parties and the Provision of Guarantees by Listed Companies to External Parties" (《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》) and the "Notice on Regulating the External Guarantees by Listed Companies" (《關於規範上市公司對外擔保行為的通知》) of the China Securities Regulatory Commission. During the reporting period, the Company did not provide any external guarantee in violation of the specified decision-making procedures.

(3) Use of proceeds

In accordance with the relevant regulatory requirements, the Independent Directors reviewed the matters submitted for the Board’s consideration, such as the temporary use of certain idle funds as supplementary working capital. They considered that the above-mentioned matters did not conflict with the implementation plan of investment projects with proceeds. Neither circumstances affecting or harming the Shareholders’ interests nor behavior of changing the allocation of proceeds in a disguised way existed, which would not have impact on the normal operation of the fund-raising projects and were beneficial to improve the utilization efficiency and effectiveness of proceeds. This was in the interests of the Company and its Shareholders as a whole. The relevant consideration procedures complied with relevant laws and regulations and the Articles of Association.

(4) Appointment and remuneration of Directors and senior management

In accordance with the relevant regulatory requirements, the Independent Directors reviewed appointment and remuneration of Directors and senior management, and are of the view that relevant personnel have the qualifications to serve as directors and senior management of a listed company. They have not been aware of any circumstance that anyone is prohibited from acting as a director or senior management of the Company under the Company Law or the Articles of Association, or that anyone is determined by the China Securities Regulatory Commission as a person blocked from entering market and such determination has not yet been lifted. The candidate nomination procedures have complied with relevant provisions of laws, regulations and the Articles of Association. The remuneration of Directors for 2019 was determined and paid in strict compliance with relevant policies of the Board, and the remuneration disclosed was presented pursuant to the requirements on indicators in the H-share annual report, with the data verified.

(5) Audit of financial report and preparation of annual report

In respect of significant events drawing the market’s attention, the Independent Directors put forward reasonable proposals for the contents required to be substantially disclosed for the consideration at the Board meeting. When preparing the annual report, they followed up the annual audit and the preparation of annual report, communicated with the management of the Company in a timely manner with respect to the audit opinions and the important matters during the audit process, and ensured various effective communications with auditors before and after the preparation, and expressed professional opinions in accordance with relevant requirements of the “Work Procedures related to Annual Report of Independent Directors”.

(6) Appointment or change of auditors

The Independent Directors were involved in re-appointment of the auditors for the financial report and internal control auditors of the Company, and after full discussions and conscientious study, raised appointment opinions to provide reference to the Board.

(7) Execution of internal control

The Independent Directors listened to the report on internal control development and evaluation on a regular basis, proposed constructive opinions and advice and guided the Company to constantly seek methods and approaches in practice to optimize the standardized implementation of internal control. On the basis of urging the Company to strengthen the system construction and special examination, the Board conducted a self-evaluation on the effectiveness of internal control and formulated a self-evaluation report, and also appointed auditors to conduct special audit on the effectiveness of the execution of internal control for the financial report of the Company.

(8) The development of the Company's overseas market

The Independent Directors have attached great importance to the Company's overseas market development and operation of overseas projects, and immediately after the investigation and research in the Middle East in 2019, the Independent Directors convened a special meeting of the management and relevant departments to hear the report of the overall status of the Company's overseas business and the development of the integration of MCC International. The following advice are proposed at the meeting in furtherance of high quality and sustainable development of overseas business: (i) the Company should be firmly confident and resolved in expanding and strengthening overseas businesses, and unswervingly implement various "overseas-priority" measures in the "economic-return-oriented, risk-controllable, main-business-focused and steady growth" principle, and promote the rapid progress and upgrading of overseas business. (ii) the Company should concentrate its strengths and resources on better establishing overseas market presence and development. (iii) the Company should further consolidate the foundation and promote the reform of the market-based mechanism and system. MCC International should further clarify its strategic positioning following the integration, give full play to its strategic leading role as the Group's overseas platform, enhance the Group's internal coordination to strengthen and empower the Group's overseas business platform.

IV. OVERALL EVALUATION AND RECOMMENDATION

As Independent Directors of the Company, we diligently, independently and prudently performed our duties based on the principle of safeguarding the interests of the Company and minority Shareholders. In 2019, there were no circumstances that Independent Directors proposed to convene Board meetings. In the normal operation of the Company, there were no circumstances that Independent Directors appointed external auditors and advisors independently.

In 2020, we will continue to study thoroughly the production and operation matters of the Company and continue to perform our duties in a prudent, earnest, diligent and honest manner in accordance with the provisions and requirements of Independent Directors under relevant laws and regulations. Leveraging on our professional knowledge and intensive experience, we will provide opinions for reference by the Board in its decision-making and provide appropriate recommendations on the development of the Company; it is also our hope to facilitate solid operation and standardized running of the Company, so as to continuously enhance the quality of the Company's operation, and to safeguard the legitimate interests of the Company and Shareholders.

Report is hereby given.

Independent Non-executive Directors:

Zhou Jichang, Yu Hailong, Ren Xudong, Chan Ka Keung, Peter

**WORK REPORT OF THE BOARD
OF METALLURGICAL CORPORATION OF CHINA LTD.
FOR THE YEAR 2019**

In 2019, MCC adhered steadfastly to the strategic positioning of “leading as the national team of metallurgical construction, the backbone of fundamental construction, the pioneer in the emerging industries, and insisting on the path of high tech and high quality in a long run”. The Company has ensured its steady growth in proper and clear directions while endeavouring to advance its development. Results of our operation have again reached a historical new height with steady advancement in the quality of development. Over the past year, for the purpose of maintaining and increasing the value of the state-owned assets and maximizing Shareholders’ interests, based on the function of “determining strategy, managing team, discussing important issues and controlling risks”, the Board performed the review procedure for the matters that shall be examined and approved by the Board pursuant to the laws and regulations, and effectively improved standard of specified operation and quality of efficient decision, so that the Company continued to show a steady and steep upward development trend. The Board of the Company was awarded the “Golden Round-table, Best Board of Directors” for two consecutive years.

I. OPERATING RESULTS OF THE COMPANY

In 2019, the operating revenue of the Company amounted to RMB338.638 billion, representing a year-on-year growth of 16.96%. Total profit was RMB9.782 billion, increasing by 2.71% year on year, of which net profit attributable to Shareholders of the listed company recorded RMB6.600 billion, increasing by 3.58% year on year; newly signed contracts amounted to RMB787.617 billion, representing a year-on-year increase of 18.31%. The Company has made achievements in market exploration in terms of volume and quality, and key domestic and international metallurgical engineering projects have been basically undertaken by MCC; the total contract value of newly signed projects at more than RMB500 million amounted to RMB429.336 billion, representing a year-on-year increase of 16.51%; the total value of newly-signed contracts within the five major metropolitan clusters amounted to RMB424.314 billion, accounting for 61.06% of the value of newly-signed contracts of the domestic engineering sector. A great number of noteworthy results have been achieved in the engineering sector, of which 27 projects received the National Quality Project Award, and 10 projects received the Luban Award. The “Double Hundred Actions” pilot scheme and the mixed ownership reforms have achieved new progress. There were also new achievements in scientific and technological innovation, including 3 National Science and Technology Advancement Awards, and accreditation of 2 National Science and Technology Innovation Platforms, bringing the total number of National Science and Technology Platforms to 26. The applications of invention patents exceeded 50% for the first time, and more than 2,800 valid patents were added, with over 29,700 valid patents in aggregate.

(I) Engineering Contracting Business

During the reporting period, the newly signed construction contracts of the Company amounted to RMB750.647 billion, representing a year-on-year increase of 19.40%, further creating a record high. Newly signed metallurgical engineering contracts amounted to RMB128.148 billion, accounted for 17.07% of the newly signed contracts, representing a decrease of 0.59 percentage point in proportion as compared with the same period of 2018. Newly signed non-metallurgical engineering contracts amounted to RMB622.499 billion, accounted for 82.93% of the newly signed engineering contracts, representing an increase of 0.59 percentage point in proportion as compared with the same period of 2018. Newly signed overseas engineering contracts amounted to RMB40.624 billion.

Overall operating results of the engineering contracting business in 2019*Unit: RMB'000*

	2019 % of the total		Year-on-year 2018 increase/decrease	
Segment operating revenue	311,836,814	89.44%	258,330,923	20.71%
Gross margin (%)	10.14	–	10.52	Decreased by 0.38 percentage point

Note: The segment operating revenue and gross margin are data without offsetting inter-segment transactions.

1. Metallurgical Engineering Construction Business

As the largest and most capable metallurgical construction contractor and operating service provider of metallurgical enterprises in the world, during the reporting period, the Company aims at building the national team of the world's top metallurgical construction. By strictly following the pace of green development and intelligent manufacturing in domestic iron and steel industry, the Company has re-constructed a new supply system of metallurgical construction service, which was in line with future sustainable development, standing firmly on the top of the world's technology and the high end of industry chain value, undertook the national responsibility of guiding the metallurgy in China to a higher level and to the central world stage, and established the core technology and control capabilities in eight major parts and nineteen units of the traditional metallurgical procedures of the Company, thereby providing overall

solutions for the entire industry chain of iron and steel enterprises. The Company also accelerated the transformation and upgrade of traditional technology to form irreplaceable technology strength by focusing on sections such as green, intelligent and high-end operation services. In terms of market expansion, the Company paid attention to leveraging the advantages of the entire industry chain, grasped opportunities and took the initiative to implement central coordination and arrangement. While ensuring that large and medium-sized projects of major iron and steel companies kept up with pace, the Company firmly consolidated the absolute status of being the “national team for metallurgical construction”.

The operating revenue of the metallurgical engineering construction business of the Company for the recent 3 years and the proportion accounting for the total contract income of the projects are as follows:

Unit: RMB'000

Items of revenue	2019		2018		2017	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Metallurgical engineering	70,286,830	22.54	64,836,330	25.10	48,097,655	23.06

Note: The segment operating revenue and gross margin are data without offsetting inter-segment transactions.

During the reporting period, the key metallurgical engineering construction projects entered into by the Company are as follows:

No.	Name of Project	Contractual Amount (RMB100 million)
Domestic Projects		
1	EPC General Contracting Project of Coking System for Jiahua Chemical Industry Park of Tangshan Jiahua Coal Chemical Co., Ltd. (唐山佳華煤化工有限公司佳華公司化工園區項目煉焦系統EPC總承包工程項目)	19.6
2	Engineering General Contracting Project for Major and Ancillary Steel Making Facilities (Phase I) of Fangchenggang Steel Base in Guangxi Province (廣西省防城港鋼鐵基地項目(一期)一煉鋼主體設施及輔助設施工程總承包項目)	17.5

No.	Name of Project	Contractual Amount <i>(RMB100 million)</i>
3	EPC General Contracting Project for Industrial Upgrading of HBIS Hesteel and Production Capacity Transfer of HBIS Xuansteel (Long Product – Rebar, 3# Line and Medium Rebar Area) (河鋼產業升級及宣鋼產能轉移項目(長材工程—棒材、3#線、中棒區域)EPC總承包項目)	16.6
4	3,800mm Middle and Thick Plate Production Line Redevelopment Project for Yingkou Jinghua Iron and Steel Co., Ltd. in Liaoning Province (遼寧省營口京華鋼鐵有限公司3,800mm中厚板生產線續建項目)	15.4
5	General Contracting Project of Steelmaking Engineering for Environmental Protection Product Upgrading of HBIS Shijiazhuang Iron & Steel Co., Ltd. (河鋼集團石家莊鋼鐵有限責任公司環保搬遷產品升級改造項目煉鋼工程總承包項目)	15.4
6	EPC General Contracting Project for Upgrade and Renovation of Coke Oven of Fujian Sangang Minguang Co., Ltd. (福建三鋼閩光股份有限公司焦爐升級改造EPC總承包項目)	13.0
7	New Steel-making (Phase 1) Project of Baosteel Desheng Luoyuan Stainless Steel Co., Ltd. in Luoyuan County, Fujian Province (福建省羅源縣寶鋼德盛不銹鋼有限公司新煉鋼(一步)項目)	11.2
8	EPC General Contracting Project for Production Capacity Replacement (Luoyuan Minguang) and Ancillary Project of H-shaped Steel Production Line with Annual Output of 1.3 Million Tons of San Gang Group of Fujian Luoyuan Minguang Iron & Steel Co., Ltd. (福建羅源閩光鋼鐵有限責任公司三鋼集團產能置換(羅源閩光部分)及配套項目年產130萬噸H型鋼生產線EPC總承包項目)	10.5
9	EPC General Contracting Project for Industrial Upgrading of HBIS Hesteel and Production Capacity Transfer of HBIS Xuangang (long product-steel making and continuous casting) (河鋼產業升級及宣鋼產能轉移項目長材工程-煉鋼連鑄EPC總承包項目)	10.1
10	General Contracting Project for Design, Supply and Construction of Steelmaking for Reorganization, Relocation, Renovation of Hebei Taihang Iron and Steel Group Co., Ltd. (河北太行鋼鐵集團有限公司重組搬遷改造項目煉鋼工程設計、供貨、施工總承包項目)	9.3
11	Construction Project (Section II) for Hot Rolling Engineering of No. 3 Blast Furnace System of Baosteel Zhanjiang Iron & Steel (寶鋼湛江鋼鐵三高爐系統項目熱軋工程2標施工項目)	9.0

No.	Name of Project	Contractual Amount <i>(RMB100 million)</i>
12	Contracting Project of Design, and Supply, Construction and Installation of Public Auxiliary Equipment of ESP Endless Strip Steel and Deep Processing Plant for Reorganization, Relocation and Renovation of Hebei Taihang Iron and Steel Group Co., Ltd. (河北太行鋼鐵集團有限公司重組搬遷改造項目ESP無頭帶鋼及深加工工程工廠設計、公輔設備供貨、建安施工承包項目)	9.0
13	EPC General Contracting Supplemental Agreement on 5# and 6# Coke Oven Environmental Protection Relocation Project of Tangshan Ganglian Coking Co., Ltd. (唐山鋼聯焦化有限責任公司5#、6#焦爐環保搬遷工程EPC總承包補充協議)	9.0
14	EPC General Contracting Project for Production Capacity Replacement (Luoyuan Min Guang) and 1*120t Converter Steel-making Project of Ancillary Project for San Gang Group (三鋼集團產能置換(羅源閩光部分)及配套項目1*120t轉爐煉鋼工程EPC 總承包項目)	8.8
15	General Contracting Project for Design, Supply and Construction of 2×300m ² Sintering Machine for Reorganization, Relocation, Renovation of Hebei Taihang Iron and Steel Group Co., Ltd. (河北太行鋼鐵集團有限公司重組搬遷改造項目2×300m ² 燒結機工程設計、供貨、施工總承包項目)	8.8
Overseas Projects		
1	The Metallurgical Project of Li Bai Metal Co., Ltd with an Annual Output of 300,000 Tons of Nickel Iron in Indonesia (印度尼西亞李白金屬有限公司年產30萬噸鎳鐵冶煉項目)	21.8
2	Nachu Graphite Mine Project in Tanzania (坦桑尼亞Nachu石墨礦項目)	19.1
3	The Project of 800,000 tons of Clean type, Heat-recovery Coke Oven of Eastern Steel in Malaysia (馬來西亞東鋼80萬噸清潔型熱回收焦爐項目)	17.1
4	OBI Nickel-Cobalt Project in Indonesia (印度尼西亞OBI鎳鈷項目)	12.6
5	Steel Rolling Project with Annual Output of 1,500,000 Tons for Indonesia New-Asia International Co., Ltd. (印尼新亞洲國際有限公司年產150萬噸軋鋼項目)	10.8

2. *Non-Steel Engineering Construction Business*

(1) *Fundamental Construction*

In 2019, the Company maintained its leading position in terms of marketing, and paid close attention to hotspot regions, key projects and strategic customers. The Company concentrated its efforts in the development in five urban clusters, covering Beijing-Tianjin-Hebei region, Yangtze River Delta, Pearl River Delta, the middle reaches of Yangtze River, and Chengdu-Chongqing region; and are committed to the growth in national central cities, Xiong'an New District, Beijing's urban sub-center and hotspots along the "Belt and Road" routes; consolidated its cooperation with the provincial and municipal governments, such as Guangdong, Hebei, Heilongjiang and Guizhou provinces; strengthened win-win cooperation with provincial and municipal platform companies, involving Shenzhen, Zhengzhou, and Gansu and Yunnan; and enhanced exchanges with such large businesses as China Three Gorges Corporation, Beijing Enterprises Group Company Limited and Zhongguancun Development Group to secure stable sources of projects.

PPP model, a new investment model, is a specific measure for comprehensive and deep reforms across the country. Launching PPP business will facilitate acquisition of large-scale and high-quality projects, the Company's access to new markets and business fields, the enhancement of its negotiation capabilities, the gain of better project conditions, the increase of project profit rates and the consolidation and improvement of its market competitiveness and shares. During the reporting period, on the one hand, with reference to market conditions and regulatory requirements, the Company timely adjusted and implemented its approach of the PPP business, further tightened risk control, strengthened project access management, expanded the scale and improved the quality of individual projects and controlled the total number of projects; on the other hand, priority was put on the implementation of projects at hand. The Company continued to implement engineering projects under PPP model and seized the strategic opportunity to strengthen market development, expand its business scale, raise its new contract amount, and drive its transformation and upgrade. For the entire year of 2019, the Company won the bids for 24 new PPP projects and the total investment amount was RMB138.7 billion. In terms of industry distribution, the PPP projects mainly included municipal engineering, transportation, water conservancy construction, tourism, sports and technology.

During the reporting period, the number of newly signed domestic major engineering contracting contracts with an amount exceeding RMB500 million amounted to 346, with an aggregate contract amount of RMB414.525 billion, representing a year-on-year increase of 82 projects and RMB77.722 billion, respectively.

The operating revenue of the non-steel engineering construction business of the Company for the recent 3 years and the proportion accounting for the total contract income of the projects are as follows:

Unit: RMB'000

Items of revenue	2019		2018		2017	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Housing and construction engineering	147,049,726	47.16	107,540,465	41.63	93,677,430	44.90
Transportation infrastructure	67,393,860	21.61	54,016,566	20.91	43,856,822	21.02
Other engineering	27,106,398	8.69	31,937,562	12.36	22,980,953	11.02

Note: The segment operating revenue and gross margin are data without offsetting inter-segment transactions.

During the reporting period, the key infrastructure projects entered into by the Company are as follows:

No.	Name of Project	Contractual Amount (RMB100 million)
Domestic Projects		
1	Construction Project of Living Environment Improvement in Zhanxi District, Tangshan City, Hebei Province (河北省唐山市市站西片區人居環境整治建設工程項目)	78.0
2	General Contracting Project of PPP Project (Contract Phase II) for Kaizhou, Chongqing to Yunyang Expressway (Jiangkou – Yunyang – Longgang Section) (重慶開州至雲陽高速(江口-雲陽-龍缸段)PPP項目工程施工總承包(第二合同段)項目)	68.0
3	General Contracting Construction of PPP Project for Construction of Yongde (Lianziqiao) –Gengma (Mengjian) Highway in Yunnan Province (雲南省永德(鏈子橋)至耿馬(勐簡)高速公路建設PPP項目施工總承包項目)	61.5

No.	Name of Project	Contractual Amount <i>(RMB100 million)</i>
4	EPC Project for Eight Convenient Service Centers for Citizens at Nongye East Road and Ruyi East Road in Zhengdong New Area, Zhengzhou City, Henan Province (河南省鄭州市鄭東新區農業東路、如意東路等八個便民服務中心EPC項目)	50.0
5	Construction General Contracting (EPC) Project for Renovation (Phase II) of Shanty Towns in High-tech Zone, Xiaogan City, Hubei Province, in 2018 (湖北省孝感高新區2018年棚戶區改造項目(二期工程)工程總承包(EPC)項目)	45.7
6	Construction Project of Olympic Center Project in Lanzhou City, Gansu Province (甘肅省蘭州奧體中心工程施工項目)	45.1
7	General Contracting (EPC) Project for Comprehensive Renovation of High-tech Avenue (Third Ring Road – Outer Ring Road) in Wuhan City, Hubei Province (湖北省武漢市高新大道(三環線外環線)綜合改造工程總承包(EPC)項目)	40.9
8	Municipal Road Construction Project (Section II) for Qinghu South Section of Meiguan Expressway in Shenzhen City (深圳市梅觀高速清湖南段市政道路工程施工二標段項目)	39.6
9	New Construction (G107RX-SG-2 Section) Project of First-class Highway of G107 Line (Xinyang City Section) in Henan Province (河南省G107線繞信陽市區段一級公路新建工程(G107RX-SG-2標段)項目)	38.5
10	Investment and Construction of Modern Logistics and Cross-border Trade Project in Comprehensive Bonded Zone in Chengdu City, Sichuan Province (四川省成都市綜保區現代物流和跨境貿易項目投資建設)	35.0
11	Construction Project for Renovation of Vulnerable Buildings in Chuiyangliu, Beijing (北京垂楊柳危改項目施工項目)	30.0
12	Construction Project of Tongluowan No. 1 in Laibin City, Guangxi Zhuang Autonomous Region (廣西壯族自治區來賓市銅鑼灣1號施工項目)	29.8
13	Shanhu Park Project of Phase III Ronghu Yihao in Zhecheng County, Shangqiu City, Henan Province (河南省商丘市柘城縣容湖壹號三期山湖公園工程)	29.4

No.	Name of Project	Contractual Amount <i>(RMB100 million)</i>
14	EPC General Contracting Project of Renovation Project of Shanty Town for the year 2018 (Sunshine City Hu'an) in Jining City, Shandong Province (山東省濟寧市2018年棚戶區改造項目(陽光城市濤岸) EPC總承包項目)	29.2
15	Weifang Tourism & Holiday Integrated Project (Integrated Commercial District) for Century Shengda Golden Peony Global Carnival in Weifang City, Shandong Province (山東省濰坊世紀盛達金牡丹環球嘉年華濰坊旅遊度假綜合項目(綜合商業區)工程)	29.0
Overseas Projects		
1	Contracting Project of SKY VILLA in Cambodia (柬埔寨SKY VILLA 工程承包項目)	6.3
2	General Contracting Project of Sindeli JKT LIVING STAR Apartment in Jakarta, Indonesia (新得利印尼雅加達JKT LIVING STAR 公寓樓總承包項目)	5.9
3	General Contracting Project of Property Development on Bernam Street, Tanjong Pagar, Singapore (新加坡丹戎巴葛柏南街地產開發項目總承包項目)	5.6
4	The First Contracting Project for Section I of Central Expressway in Sri Lanka (斯里蘭卡中部高速公路第一標段第一合同承包項目)	5.6

(2) *Emerging Industries*

During the reporting period, in accordance with the requirements of the “forerunner in the emerging industries to re-accelerate, re-expand and re-innovate”, the Company exerted efforts on emerging industries, and made major breakthroughs in areas such as urban integrated subterranean pipeline corridor, featured theme engineering, sponge city, beautiful countryside and smart city, healthcare and senior care, and environment improvement through resource integration, technological advancement, marketing model adjustment to constantly increase its competitiveness in emerging markets. The Company strived to seize market opportunities by leveraging the advantages of its specialized technology in certain research institutes of specialized technologies, so as to provide customers with all-round and comprehensive services along the entire industry chain.

In the urban integrated subterranean pipeline corridor field, as the earliest constructor of the integrated subterranean pipeline corridor in the PRC, the Company is able to provide investment, consultation, planning, survey, design, construction, supervision and operating services, with professional comprehensive capability and overall strength in the whole process of the projects and entire industrial chain. During the reporting period, the Company won the bid for a batch of integrated pipeline corridor projects with great social influence in Xiong'an New Area, Tianjin, Shenzhen, Zhuhai, etc. As at the end of the reporting period, the Company won the bid for pipeline corridor PPP and EPC projects with an accumulated mileage of over one thousand kilometers, and continued to maintain its leading position in the domestic integrated pipeline corridor market.

The Company bore in mind the concept that "Lucid Waters and Lush Mountains are Invaluable Assets", and devoted itself to the construction of ecological civilization. By relying on various design and research institutes of MCC, the Company focused on key development of markets such as general treatment of river basins, general treatment of black odor water, municipal wastewater treatment, waste-to-energy, soil and mine remediation, and built the waste treatment brand of MCC characterized by "One Low Three High", namely "low cost, high standard, high technology and high quality", thereby continuously expanding its market share.

In the area of special theme projects, the Company, as the world's largest contractor for theme park construction with the only professional design institute for theme parks in China, is the country's one and only enterprise qualified for both theme park design and the execution of entire construction projects.

In the healthcare and senior care field, the Company conformed to the development trend of the industry and the urging demand of the market by adopting the double innovative mode of "research institute + healthcare and senior care investment platform". Leveraging the technological advantage of the Healthcare and Senior Care Industry Technology Research Institute of MCC, the Company offered owners with all-round and comprehensive services of "healthcare, rehabilitation, senior care, health-consciousness, fitness, travel and culture" with professional and full-range perspectives. During the reporting period, the Company won the bid for and newly signed several key projects, striving to boost the brand influence of "Healthcare and Senior Care +".

During the reporting period, the key projects related to emerging industries entered into by the Company are as follows:

No.	Name of Project	Contractual Amount <i>(RMB100 million)</i>
Urban Integrated Subterranean Pipeline Corridor Projects		
1	EPC General Contracting Project of Comprehensive Pipe Corridor and Supporting Structure of Guangzhou Knowledge City (廣州知識城綜合管廊及配套設施工程項目EPC總承包項目)	23.3
2	Main Construction for Comprehensive Development in Underground Area of Keyuan Avenue, Shenzhen City (深圳市科苑大道地下空間綜合開發主體工程項目)	16.6
3	Construction General Contracting for PPP Project of Beichen East Road, Integrated Piping System and Ancillary Engineering in Beichen District, Tianjin City (天津市北辰區北辰東道道路、綜合管廊及附屬工程PPP項目施工總承包項目)	14.9
4	General Contracting (Main Project of Part A) Project of No. 16 Line Co-constructed Pipe Corridor (Integrated Well No. 10 – Integrated Well No. 17) in Shenzhen City (深圳市16號線共建管廊(綜合井10-綜合井17)工程施工承包合同(A部分主體工程)項目)	12.6
5	General Contracting Project of Construction for PPP Project of Integrated Corridor in South Unit 03 of Donglihu Area, Dongli District, Tianjin City (天津市東麗區東麗湖地區03單元南區管廊道路綜合配套PPP項目施工總承包項目)	10.2
Theme Park Projects		
1	Construction Project for Major and Ancillary Facilities for the Theme Park in Evergrande Cultural and Tourism Town in Cangzhou, Hebei Province (河北省滄州恒大文化旅遊城主題樂園主體及配套建設項目)	20.0
2	Construction Project for Main Body and Ancillary Facilities of Children's Paradise of Evergrande Cultural Tourism City in Shenyang City (瀋陽恒大文化旅遊城童世界樂園主體及配套建設項目)	20.0
3	Construction Project for Main Structure and Ancillary Facilities of Evergrande Cultural & Tourism Theme Park in E'zhou City, Hubei Province (湖北省鄂州恒大文化旅遊主題樂園主體及配套建設工程施工項目)	20.0

No.	Name of Project	Contractual Amount <i>(RMB100 million)</i>
4	Engineering General Contracting Project (After Capital Contribution) for the Culture Park Project of “Journey to the West” in Huai’an, Jiangsu Province (江蘇省淮安西遊記文化體驗園(增資後)工程總承包項目)	15.4
5	Pile Foundation Project for the year 2019– 2020 of Jiangsu Company of Tongshijie Construction Group (童世界建設集團江蘇公司2019–2020年度樁基工程項目)	7.0
Sponge City Project		
1	Construction Project for Urban Infrastructure and Ancillary Facilities and Environmental Improvements in Boxing County of Binzhou, Shandong Province (山東省濱州市博興縣城區基礎設施配套及環境提升建設項目)	10.9
Special Town Projects		
1	(EPC) General Contracting Project of Health Care Small Town in Cihu High-tech Zone, Ma’anshan City, Anhui Province (安徽省馬鞍山市慈湖高新區健康小鎮工程(EPC)總承包項目)	29.5
2	Phase I Project of Yanqi Lake Town for International Tourism, Vacation and Research and Pastoral Complex in Shijiazhuang, Hebei Province (河北省石家莊燕棲湖國際旅遊度假研學小鎮及田園綜合體一期項目)	28.8
3	Engineering Construction Project of Bailulin Town Project in Hubei Province (湖北白鷺林小鎮項目建設工程施工項目)	28.0
4	EPC Projects for Jinji Lake and Surrounding Municipal Roads, Connecting Roads between New District and Old District, etc. of Shipai Xiqu Cultural Characteristic Town in Huaining County, Anhui Province (安徽省懷寧縣石牌戲曲文化特色小鎮—金雞湖及週邊市政道路、新區及老區連接道路等EPC項目)	7.6
Water Environment Treatment Projects		
1	EPC+O (Survey and Design, Procurement, Construction + Operation) Project for Black and Odorous (Substandard) Water Control and Improvement (Project III) in the Central Part of Zhongshan City, Guangdong Province (廣東省中山市中心組團黑臭(未達標)水體整治提升工程(項目三)EPC+O(勘察設計、採購、施工+運營)項目)	29.8

No.	Name of Project	Contractual Amount <i>(RMB100 million)</i>
2	Phase I of Comprehensive Habitat Restoration Project (East and West Zones) and Phase II of Collaborative Project by Social Joint Venture (South Zone) (Shaxi Line to Chuan-Shan Road Section) for the Around-city Ecological Zone in Chengdu City, Sichuan Province (四川省成都市環城生態區生態修復綜合項目(東、西片區)一期、(南片區)二期社會合資合作方沙西線至川陝路標段合作項目)	14.3
3	Design and Construction General Contracting (EPC) Project for Integration, Development and Construction of Ecological Restoration and Green Industry in Lushui City, Yunnan Province (雲南省瀘水市生態修復與綠色產業融合發展建設項目設計-施工總承包(EPC)項目)	12.9
4	Design and Construction General Contracting (EPC) Project for Overall Improvement of Livelihood in Lushui City, Yunnan Province (雲南省瀘水市人居環境整體提升項目設計-施工總承包(EPC)項目)	12.7
5	Construction Project for Comprehensive Improvement in Water Ecology (Phase I) in Highend Business Zone of Baoliansi, Wenfeng Area, Anyang City, Henan Province (河南省安陽市文峰區寶蓮寺高端商務區水生態綜合整治一期工程施工項目)	11.7

(II) Property Development Business

In 2019, weighted by the policies relating to “de-stocking” and “restrictions on property purchase and credit grant”, the Company adopted different tactics that were tailored for each category and each city. MCC Real Estate, a subsidiary of the Company, continued to implement the strategic plan that the Company operates businesses in core growth areas such as Yangtze River Delta, Pearl River Delta and the Beijing-Tianjin-Hebei Region in view of the coverage nationwide by speeding up works on reserving quality land parcels in key areas. For the year 2019, through open tender, it acquired 4 land parcels with site area and permissible gross floor area of 372,600 sq.m. and 749,900 sq.m., respectively.

In 2019, MCC Real Estate ranked the 40th in the “Top 100 Real Estate Developers in China”, was awarded the “Top 10 in Profitability” and the “Top 10 in Stability”, and won the one and only national award for “Outstanding Enterprise in Urban Development and Operation in China”; it was also awarded the “Top 10 Enterprises in Green Development Competitiveness in 2019”, ranked the 14th in “National Enterprises with Competitiveness of Green Development” and was awarded “Outstanding Enterprise in China’s Urban Development and Operation”. Upon being awarded the “Integrated Value Operator” by Phoenix New Media

Real Estate, MCC Real Estate Service Co., Ltd. has become one of the enterprises among the top 100 property service providers in China. It also won the awards of “Leading Brand Enterprises in Specialized Operation of Property Service in China” and “Annual Social Responsibility Enterprises of Property Services in China”. MCC Real Estate achieved a leap from real estate developers to urban development operators. The main credit rating of MCC Real Estate has been raised to the highest rating of Grade AAA by Lianhe Credit Rating.

During the reporting period, the amount invested by the Company in property development was RMB19.223 billion, representing a year-on-year decrease of 12.75%. The construction area was 11.6474 million sq.m., representing a year-on-year increase of 1.46%, among which new construction area accounted for 1.7383 million sq.m., representing a year-on-year decrease of 32.78%; completed area accounted for 1.6149 million sq.m., representing a year-on-year increase of 2.67%.

The overall operating results of the property development business in 2019

Unit: RMB'000

	2019	% of the total	2018	Year-on-year increase
Segment revenue	19,961,558	5.73%	22,870,252	-12.72%
Gross margin (%)	25.95	–	28.48	Decreased by 2.53 percentage points

Note: The segment operating revenue and gross margin are data without offsetting inter-segment transactions.

During the reporting period, the highlights of property projects developed by the Company are as follows:

1. Various projects received market recognition: On 23 October 2019, the Nanjing Zhongye • Shengshi Binjiang Jinxiu Jiangshan Project was opened for sale, achieving 80% of sales on that day. On 26 October 2019, the opening ceremony for the Qinhuangdao Zhongye • Dexian Huafu Project took place, and were sold out immediately upon opening. On 30 December 2019, the Nanjing Zhongye • Shengshi Binjiang Jinxiu Tianxi project was officially opened for sale, and as at the end of the reporting period, most of the residences on sale were sold out.

2. MCC Xinglong Xincheng • Hongshijun Project. On 2 November 2017, MCC Real Estate won the land use rights through bidding for parcels located at Hongshili Village and Nantumen Village of Xinglong County at RMB1.291 billion. The project is located in Xinglong County, Chengde City, Hebei Province, which has been elected as the “2017 100 Best Counties for Summer Resort in China” and “100 Best Small Towns for Deep Breaths in China”, with a total planning site area of 12,000 mu and total construction land of 3,000 mu. The planning site area, construction land area and floor area for phase I of the project are 4,000 mu, 1,847 mu and 1.76 million sq.m., respectively, with a planning plot ratio of 1.2. The project represents the transformation of MCC Real Estate from a single-mode real estate developer to an urban integrated operator. The project will, with no doubt, become the work of the time created by a stronger MCC brand. The project was launched for initial sale on 23 June 2018, with the first batch completed and delivered at the end of 2019. The remaining batches are currently in the progress of main structure construction and internal and external decoration.
3. Zhuhai Headquarters Building Phase II Project. In December 2010, Zhuhai Hengqin Headquarters Building Investment and Development Co., Ltd. (珠海橫琴總部大廈投資發展有限公司) won the bid for the state-owned land use right for the parcel of project at approximately RMB800 million in cash. In 2015, MCC Real Estate acquired 31% equity interest in the project company through equity transfer, and is responsible for the later-stage development of the project. The project is located in superior geographical position at Hengqin port in Hengqin Free Trade Area in Zhuhai City, the other side of the river from Macao. The project is planned to be a commercial and office complex, which is designed by Mr. Keith Griffiths, the founder partner of Aedas, the world-renowned architecture practice. Taking “double dragons in pursuit of a pearl” as the design concept, the project is created to be a future landmark building in Hengqin and even Southern China. The pile foundation of the project is currently under construction, and the preliminary formalities of the project have been completed. It is expected that the project will be launched for initial sale in the third quarter of 2021.

(III) Equipment Manufacturing Business

The business of the Company’s equipment manufacturing segment mainly includes research and development, design, manufacturing, sale, installation, fine-tuning, inspection and repair of metallurgical equipment and its spare parts, steel structures and other metal products as well as other related services.

The overall operating results of the equipment manufacturing business in 2019

Unit: RMB'000

	2019	% of the total	2018	Year-on-year increase/ decrease
Segment revenue	7,232,276	2.07%	6,988,417	3.49%
Gross margin (%)	10.21	–	12.02	Decreased by 1.81 percentage points

Note: The segment operating revenue and gross margin are data without offsetting inter-segment transactions.

The overall profitability of the equipment manufacturing segment of the Company has constantly improved amid the generally stable operation of the domestic steel and iron industry. Moving forward, the equipment manufacturing segment of the Company should keep pace with the adjustment to the presence of iron and steel enterprises and the pace of industrial upgrade, endeavor for breakthrough in respect of energy conservation and environmental protection, green manufacturing and smart manufacturing, give full play to the role of the equipment manufacturing business of the Company, and implant the core technology developed by the national team into its core equipment products, continuing to build the integration strengths of the entire industry chain, and providing the Company with sustainable innovation capability, engineering conversion and application capability.

The Company will further strengthen its strategic leadership of and control over the steel structure business, continue to optimize the resource configuration of its steel structure business, further leverage the advantages of the integrated whole industry chain covering research and development, design, manufacturing, installation, testing and maintenance of the steel structures business of the Company, and continue to build the core competitiveness of the “MCC Steel Structure” brand. This year, the Company will accelerate the construction of the metallurgical equipment industrial park, allowing which to be the “Hardcore Support” of the national team, the “Incubator” of new products for metallurgical equipment and the “Carrier” for the “MCC Equipment” brand.

(IV) Resources Development Business

In 2019, the Company's resources development business mainly focuses on mining, selection and refining of metal resources of nickel, copper, zinc, lead and other metals. In line with the objective of "refining management, enhancing quality, reducing costs, controlling risks and making profits", the Company strived to improve the development and operating levels of its own mineral resources. Producing nickel mines, lead-zinc mines and copper mines continue to remain profitable, all of which exceeded the annual profit target.

The overall operating results of the resources development business in 2019

Unit: RMB'000

	2019	% of the total	2018	Year-on-year increase
Segment revenue	5,184,624	1.49%	5,282,909	-1.86%
Gross margin (%)	25.23	–	33.17	Decreased by 7.94 percentage points

Note: The segment revenue and gross margin above are before inter-segment eliminations.

During the reporting period, details of resource projects under development and operation of the Company are as follows:

1. Papua New Guinea Ramu Nico Project

During the reporting period, the average ratio of production capacity of the project for each year reached 101.5%, and the project produced Ni-Co hydroxide that contained 33,091 tons of nickel and 2,915 tons of cobalt in aggregate, achieving overproduction for three consecutive years.

2. Pakistan Duddar Lead-Zinc Mine Project

During the reporting period, the project achieved the target of mine production capacity of 500,000 tons/year ahead of schedule, producing 74,729 tons of zinc concentrate and 13,481 tons of lead concentrate in aggregate throughout the year, representing an increase of 38.5% and 67.8% as compared with the same period of last year, respectively.

3. *Pakistan Saindak Copper-Gold Mine Project*

During the reporting period, production and operation of the project has been running smoothly, with an aggregate production of crude copper of 13,049 tons.

4. *Afghanistan Aynak Copper Mine Project*

During the reporting period, the Company completed and submitted the feasibility study report on the underground mining proposal of the project as per requirement of Afghani government, which demonstrates that the proposal is economically infeasible. Based on the final decisions of the new administration of the government of Afghanistan on relic protection and proposal of mining projects, the Company will steadily advance relevant negotiations to safeguard its legitimate rights and interests.

5. *Argentina Sierra Grande Iron Ore Mine Project*

The Company has offered to sell its interests and creditors' rights in the project through China Beijing Equity Exchange, and is inviting intended acquirers to bid and complete the transfer.

II. ROUTINE WORK OF THE BOARD**(I) Meetings of the Board and special committees**

In 2019, the Board and its subordinate special committees of the Company performed their duties in strict compliance with the duties and work requirements as authorized by Shareholders and listing regulatory authorities, and carried out their work pursuant to the "Company Law", regulatory rules of the listing place(s), the Articles of Association, the Rules of Procedure for General Meetings, the Rules of Procedure for Board Meetings and other relevant requirements. For the purpose of maintaining and increasing the value of the State-owned assets and maximizing Shareholders' interests, based on the function orientation of "making strategy, managing teams, discussing important issues and controlling risks", the Company performed the review procedure for the matters that shall be examined and approved by the Board of Directors pursuant to laws and regulations to ensure the decision of the Board of Directors is regulated, effective and scientific. The Company continued highlighting and devoting greater efforts in solving important matters and effectively improved standard of specified operation and quality of efficient decision.

In 2019, the Company convened 11 Board meetings in total, including 9 meetings held by way of on-site meeting and 2 meetings held through communication tools. The Board considered proposals and heard reports totalling 94 and passed 80 resolutions.

Special committees held 11 meetings in total, at which 47 topics were discussed. Among which, the Finance and Audit Committee held 7 meetings, at which 39 issues were considered and discussed; the Nomination Committee held 2 meetings, at which 5 issues were studied and discussed; and the Remuneration and Appraisal Committee held 2 meetings, at which 3 issues were studied and discussed. In 2019, the Strategy Committee held no meeting, and the members maintained close and effective communication through tools such as mail and electronic communication to ensure proper performance of duties.

(II) Performance of resolutions passed at general meetings by the Board

In 2019, the Board earnestly performed all the resolutions passed at general meetings in strict accordance with the resolutions passed at and authorization given by the Shareholders' general meetings.

(III) Major events on which the Board placed an emphasis

During the reporting period, the Board was in line with “making strategies, managing teams, discussing important issues and controlling risks” when performing duties to seize development opportunities, develop precise strategic layout, carry forward reform and innovation, and continue to strictly control risks to “make progress while maintaining stable development” of the Company.

First, the Company continued to emphasize strategic implementation and promote core competitiveness and technology leadership in particular. Under the guidance of the development vision of “focusing on the core business in building a better MCC”, the Company continued to stick firmly to the strategic positioning of “being the national team for metallurgical construction, the main force for fundamental construction, the forerunner of the emerging industries, and long-term adherence to pursuing the path for development with advanced technologies and high quality” to continuously consolidate the role of the world's first national team for metallurgical construction and strive to improve the core competitiveness of the industry and brand influence. Meanwhile, the Company intensified efforts in tackling challenges in technological research and transformation of scientific and technological achievements to fully leverage on the leading and supporting function of technological innovation in enterprise development.

Secondly, the Company strictly controlled investment, financial and capital risks to promote stable development of the Company. By strict approval of investment matters, emphasizing stronger project supervision and cost control, strict control over receivables and inventory scale, and focusing highly on the daily improvement of operating cash flow, the Company promoted the adoption of diversified financing channels, optimized the management and utilization of capital, strengthened the flexibility of capital operation and continuously renovate the asset structure to effectively control risks and practically escort the sustainable and healthy development of the Company.

Thirdly, the Company vigorously promoted reform and innovation to stimulate market development momentum and continued to focus and actively promote the innovation of management concept, systems and models. The Company emphasized on leveraging its technology, experience and brand strength, concentrated resources to explore quality market regions to further enhance the overall layout and coordination of market development, and carried out the market development work with plans and focuses by complying with strategy of the Group and focusing on core business. The Company was armed with the strong confidence and determination to develop and expand overseas business by confirming the development principle of “efficiency first, risk controllable, main business as focus and stable development”, and strived to promote the development of overseas business by unswervingly implementing various measures of the overseas priority.

Fourthly, the Company strengthened the decision implementation and operation performance appraisal of the management. The Company emphasized that the management shall study and implement the decisions and requirements of the Board, break down each task, confirm the competent leadership and the responsible department, implement the tasks one by one according to the time limit and requirements, and make regular reports to the Directors. Meanwhile, the Company continued to organize and carry out performance appraisal of the management in accordance with the performance appraisal objectives, and determine their remuneration thereafter.

Fifthly, the Company continued to strengthen the construction of the Board to improve the standardization and scientificity of decision-making. The Company further optimized and improved the institutional system, process system, responsibility system of the Board to give full play to the decision-making and consultation role of each professional committee and Independent Director mechanism, and continued to strengthen the building of team cooperation and duty performance ability of the Board to ensure clear powers and responsibilities, coordinated operations and efficient decision-making.

(IV) Information disclosure and investor relations

In 2019, the Company seriously organized and completed the work of information disclosure in strict compliance with relevant requirements of regulatory authorities, such as the CSRC, the SSE and the Hong Kong Stock Exchange. It made the information disclosure through statutory channels including designated newspapers and websites in a truthful, accurate, complete, timely and fair manner, according to the principle of simultaneous disclosure in both listed jurisdictions. As of 2019, the Company was rated Class A (the top class) Listed Company for SSE Information Disclosure for three consecutive years.

In the meantime, the Company proactively maintained satisfactory relationship with investors, made every effort to build the image of the Company's capital market and increase the attention of the Company's capital market, and further stepped up its efforts in communications with investors, analysts and financial media, in order to protect the legitimate rights and interests of investors, especially the small and medium investors. In 2019, the Company was awarded the China Securities "Golden Bauhinia" 70th Anniversary Outstanding Company and the Best Social Responsibility Company Award, Double Top Forum China Top 100 Star Enterprise Award, and the Quality Development Pioneers of List Companies in China of Securities Times.

1. On the basis of compliance disclosure, the Company constantly enhanced the validity of the information disclosed. In 2019, the Company conducted further communication with regulatory authorities and paid more efforts in studying and making reference to relevant rules, with extra focus on the study of disclosure for innovative business model. Living up with the pre-requisite of compliance disclosure, the Company sought for improving the readability and continuity of the information disclosed.
2. The Company actively studied changes of regulatory rules at home and abroad to continuously adapt to the new requirements of the A Shares' and H Shares' regulatory rules. By combining the strategic development and the actual situation of capital operation of the Company, the Company enhanced the disclosure on the strategic development positioning, core competitiveness and highlight of market development of the Company and actively convey positive information of the Company's development to the capital market by continuous voluntary disclosures.

3. The Company stepped forward to initiate the communication with its investors and continuously innovated the communication method. The Company highly engaged in the market activities and continued to enhance the Company's activeness in and influence on the market. Guided by the Company's overall market investment value, the Company strengthened the communication with multiple layers of the capital market on an on-going basis. Other than daily communication and contact with investors, analysts and the media, the Company maintained frequent and proactive communications. Meanwhile, the Company broadcasted live videos on the result presentation meeting via multimedia, attended several meetings and forums and delivered speeches therein, as well as communicated effectively with multiple layers of investors in the capital market via a wide selection of promotion methods.

III. OUTLOOK FOR 2020

Looking back, we saw gratifying results; looking ahead, there is still a long way to go. In the context of a complex situation of significant rise of risks and challenges at home and abroad, the Company will adhere to the overall trend of seeking progress while maintaining stability, with "world first-class" as the general goal. It is the general guideline of the Company to secure high-quality and long-term prosperity and stability, and the Company will also adhere to problems-oriented, goals-oriented and results-oriented approaches to focusing on its business.

In terms of enhancing the influence and the core competitiveness in the industry, the Company will accelerate the formation of systematic strength and continuously enhance the core competitiveness of metallurgical construction. We will speed up the optimization of the national team organizational system layout; firmly aim at the "world first target", and highlight the development of the top-tier core businesses; speed up systematic integration and give full play to the advantages of the whole industrial chain integration. The Company will accelerate the enhancement of new momentum and continue to build the core competitiveness of fundamental infrastructure and emerging industries. We will also speed up the creation of a number of first-class enterprises, focus on building a number of first-class brands, and strive to create the unique advantages of multi-sector business integration.

In terms of speeding up the formation of market technologies and efficiency technologies, we will focus on the bottleneck of development and highlight the strategic use of key core technologies. We will strive to build a high-tech equipment industrial park, and shift from selling "intangible" technology to selling "tangible" products. We will store technology of the Company into a "coffer", and carry it on the trains of products towards the "Belt and Road" and to all parts of the world. We will speed up reservation of core technologies and continue to lead the development of the Company. We will highlight market orientation and promote the transformation of scientific and technological achievements in an orderly manner. We will improve the reform structure and highlight collaborative innovation.

In terms of solving the “snowflakes” of market development, we will adhere to reasonable combat radius and focus on the “four cores” for intensive and prudent cultivation. We will focus on the core industries to build absolute control over the metallurgical engineering market; focus on the core area to create the most reliable and stable source of orders; focus on the core customers to build up competitive advantages of meticulous service and precision marketing; focus on the core projects, and constantly enhance the brand influence of MCC. We will strengthen our confidence in “going global”, enhance our ability to “go native”, raise the level of “going up”, and effectively tackle the predicaments of overseas development.

In terms of overall strengthening of the construction of corporate system, construction of system and improvement of governance capability, we will build an authoritative, pragmatic and efficient headquarters, with emphasis on what the “headquarters management” has to manage, how to manage, and in what manner does it manage. We will accelerate the formation of the management and control layout, in which “headquarters assumes full responsibility, mobilizes all parties to make solid and orderly progress”. We will build a system that is highly feasible, truly effective and efficient. We will pragmatically optimize the system supply, render the system to be more mature and standardized, constitute practical measures for the implementation of the system, and make the system more powerful; we will grasp the “key minority” and execute the governance in an orderly and proficient manner.

In terms of effective prevention and mitigation of major risks, we will place emphasis on precision pre-judgment and flexible adjustments, focus on shoring up the weaknesses and solidifying the strengths, and be aware of normalization and construction of mechanisms. In addition, we will be concerned about appropriating our undertakings, and keep an eye on what we are capable of. We will highly focus on investment risk, foreign operation risk, legal risk and securities compliance risk, as well as financial and capital risk, safety and environmental protection risk, etc. We will firmly adhere to the bottom line of refraining from strategic, systematic and subversive risks.

In terms of enhancing the competitiveness and combat vitality of the team, we will continue to focus on cultivating distinguished young talents, ensuring that the vitality of the team and that the decent traditions of our business are handed down from one generation to another. We will also continue to focus on senior-level leaders and strive to enhance the competitiveness of talents. We will also continue to strengthen our endeavours in the mission, maintain perseverance, composure and courage.

We strike as the lingering wind, passing through the perilous creek. We will unswervingly focus on the main businesses of MCC, cohesively strive for breakthroughs in key issues, and persistently forge the world's top metallurgical construction national team with the most excellent quality. We will adhere to the enterprise spirit to “make progress every day, and do not slacken the pace”, continue to strive for the high quality and long-term prosperity and stability for a “better MCC”, and make every effort to create more advanced and greater value for the country, for our Shareholders, for the society and our employees!

The Board of Metallurgical Corporation of China Ltd.*

**WORK REPORT OF THE SUPERVISORY COMMITTEE OF
METALLURGICAL CORPORATION OF CHINA LTD. FOR THE YEAR 2019**

In 2019, the Supervisory Committee of MCC, in accordance with the relevant provision of the Company Law, the Securities Law and other laws and regulations, and the Articles of Association, the Procedure Rules of the Supervisory Committee and other systems, with the purpose of safeguarding the interests of the Company and the rights and interests of all Shareholders, discharged its powers and duties with the utmost conscientiousness, conducted its work proactively and effectively, and fully exercised its supervisory functions in order to safeguard the legitimate rights and interests of the Company and its Shareholders and employees.

I. WORKS OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

During the reporting period, the Supervisory Committee completed the transition between sessions, and the two sessions of the Supervisory Committee strictly performed duties and responsibilities, independently exercised functions and authorities, and supervised the Company's internal control, financial situation, profit distribution, utilization of relevant raised proceeds, operation of PPP projects, prevention of legal risks, and the performance of the Company's directors and senior management, promoted the Company's standardized operation and healthy development, and effectively performed the supervisory duties of the board of supervisors. The specific work is as follows:

(1) Successfully completed the transition between sessions of the Supervisory Committee

During the reporting period, the Company completed the transition between sessions in line with laws and regulations. The second session of the Supervisory Committee comprises three Supervisors, namely Mr. Yan Aizhong, the shareholder representative Supervisor, Mr. Peng Haiqing, the shareholder representative Supervisor, and Mr. Shao Bo, the employee representative Supervisor. The members of the third session of the Supervisory Committee were elected at the First Extraordinary General Meeting of the Company on 12 March 2019. The new session of the Supervisory Committee still kept the original structure and had three Supervisors, including two shareholder representative supervisors Cao Xiuyun and Zhang Yandi, and one employee representative Supervisor Chu Zhiqi. Cao Xiuyun was elected as Chairman at the First Extraordinary General Meeting of the third session of the Supervisory Committee of the Company held on 12 March 2019. The members of the Supervisory Committee actively participated in the professional training organized by the regulatory body, which further strengthened their theoretical literacy and practical performance capabilities. In order to clarify and refine the routine work norms of the Company's Supervisory Committee, the Company formulated Work Rules for the Supervisory Committee in April 2019 to fully guarantee the effective operation of the Supervisory Committee.

(2) Performed daily supervision duties according to law

In 2019, the Company's Supervisory Committee convened five meetings of the Supervisory Committee in total. It considered 17 proposals and received three reports. All Supervisors attended the meetings in person. Matters considered at the meetings mainly involved final accounts and profit distribution plans, periodic reports, internal control and risk management inspection reports, special reports on the deposit and actual utilization of the raised proceeds, etc. The procedures of each meeting were in compliance with the provisions of the Company Law, the Articles of Association and the Work Rules for the Supervisory Committee, and all meetings were held legally and effectively. In the spirit of being accountable to all Shareholders, all Supervisors of the Company carefully and rigorously considered all proposals, carefully put forward supervision opinions, and effectively performed supervisory duties and responsibilities.

In 2019, the Company's Supervisors attended the Shareholders' General Meeting twice, and attended all 11 Board Meetings as a non-voting delegate and the President's Office Meetings, in accordance with the regulations. Through understanding and participating in the Company's major events, they gradually carried out the necessary audit functions and played a statutory supervision role.

(3) Actively carried out special inspections in key areas

In 2019, the Company's Supervisory Committee carried out risk supervision and inspection of relevant business areas through various methods such as seminars and special inspections in accordance with the annual supervision and inspection work arrangement. From January to February 2019, the Supervisory Committee inspected the general situation of the Company's rule of law work, listened to the reports on the Company's rule of law work system construction, major cases, and legal risks in key business areas. In June 2019, the Supervisory Committee conducted an on-site investigation of the Company's subsidiary MCC Finance Corporation Ltd., and listened to its report on the company's overall governance, functional positioning, and establishment of daily business risk prevention and control mechanisms, and made recommendations. In July 2019, the Supervisory Committee systematically investigated the Company's environmental protection industry development and scientific research collaboration, and provided targeted improvement suggestions.

II. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE IN 2019**(1) Operation of the Company according to law**

The Company's Supervisory Committee was of the view that the Board could strictly abide by the requirements of the Company Law, the Securities Law, the Articles of Association and other relevant laws, regulations and systems, and made decisions in accordance with the law. The Company's major business decisions were reasonable, and the procedures were legal and effective. The Company's directors and senior management could seriously implement the national laws and regulations, the Articles of Association, the resolutions of the Shareholders' General Meetings and the Board Meetings when performing their duties. They were dedicated to their duties, diligent and responsible, honest and trustworthy, impartial and fair. Neither violation of laws, regulations and Articles of Association nor harm to the interests of the Company and its Shareholders was identified.

(2) Financial position of the Company

The Company's Supervisory Committee supervised and reviewed the Company's 2019 financial status and financial results, and believed that the Company's financial system was sound, the internal control system was perfect, and the financial management was standardized. After the comprehensive audit on the Company's financial statements, Deloitte Touche Tohmatsu (LLP) issued an unqualified audit report, and determined that the Company's 2019 financial statements presented fairly Company's overall financial status and operation results in 2019 in accordance with Accounting Standards for Business Enterprises and in line with the Company's actual situation.

(3) Utilization of the Company's raised proceeds

The Supervisory Committee conducted supervision over the Company's utilization of the proceeds raised from its offering. It was of the view that the Company was able to regulate the utilization and management of the proceeds raised from the offering in accordance with laws, regulations and regulatory requirements. Neither violation of laws and regulations nor harm to the interests of the Shareholders in the utilization of the proceeds raised by the Company was identified.

(4) Internal control of the Company

In 2019, the Company's internal control activities were standardized, legal and effective, and no violation of laws and regulations and the Company's internal control system occurred. 2019 Internal Control Evaluation Report of Metallurgical Corporation of China Ltd. comprehensively, objectively and truly reflected the actual situation of the establishment, improvement and operation of the Company's internal control system.

(5) Fulfillment of the Company's social responsibility

In 2019, the Company made outstanding contributions in economic development, environmental protection, targeted poverty alleviation, and caring for employees. The Company actively participated in public welfare charities, earnestly fulfilled its social responsibilities, and safeguarded the interests of its Shareholders, customers and employees.

(6) Others

In 2019, the Supervisory Committee supervised and reviewed matters such as the profit distribution plan, the capital occupancy of the controlling Shareholder and other related parties, and the list of related persons/connected persons, with extra attention paid to the Company's profitability, asset quality and debt risks, etc., and continuous attention to the Company's efforts in clearing the "Two Funds" and developing PPP business, to guard against various operational risks. The Supervisory Committee had no objection to the relevant measures and methods of the Board and the management.

III. WORK PRIORITIES OF THE SUPERVISORY COMMITTEE IN 2020

In 2020, the Company's Supervisory Committee will continue to strictly comply with the national laws and regulations, the Articles of Association and the Rules of Procedure for the Supervisory Committee and stringently perform its supervisory functions in line with the Company's development strategy and annual key tasks, and strengthen the its own construction and improve its performance capability and supervision level to further promote the Company's standardized operation and safeguard the rights and interests of the Company and its Shareholders and employees.

(1) To strengthen the supervision of risks

In accordance with the Articles of Association, the Supervisory Committee will continuously improve the system of the Supervisory Committee and strengthen communication with the Board and the management. Focusing on financial inspections, the Supervisory Committee will strengthen compliance review on financial management, external investment, related-party transactions, project operations, etc., follow up with the implementation of resolutions adopted at the Board meetings, timely discover and prompt possible hidden risks in the Company's operations, propose practical opinions and suggestions, and play an active role in internal supervision.

(2) To enhance the effectiveness of supervision

Combining the work of the Supervisory Committee with the Company's daily operation and management activities, the Supervisory Committee will deepen the supervision of daily operations and management through reviewing the Company's documents, attending important meetings, and checking business materials, etc., and further identify problems by field investigations, special inspections, etc., propose rectification suggestions and enhance the timeliness and effectiveness of supervision.

(3) To improve the ability to perform duties

The Company's Supervisory Committee should adapt to the constant changes in the capital market, strengthen learning of policy theories, laws and regulations and professional knowledge, actively participate in professional training organized by regulatory authorities, learn from the experience of excellent companies, continuously improve the supervision mechanism, innovate supervision methods, practically improve the professional level and the ability to perform duties, effectively protect the legitimate rights and interests of the Company and all Shareholders, and push the work of the Company's Supervisory Committee to a new level.

The Supervisory Committee of Metallurgical Corporation of China Ltd.*

NOTICE OF THE 2019 ANNUAL GENERAL MEETING



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)

NOTICE OF THE 2019 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2019 annual general meeting (the “AGM”) of Metallurgical Corporation of China Ltd.* (the “**Company**” or “**MCC**”) will be held at MCC Tower, No. 28 Shuguang Xili, Chaoyang District, Beijing, the People’s Republic of China, on Monday, 29 June 2020 at 2:00 p.m. to consider and, if thought fit, pass (with or without amendments) the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the proposal in relation to the “Work Report of the Board of MCC for the Year 2019”.
2. To consider and approve the proposal in relation to the “Work Report of the Supervisory Committee of MCC for the Year 2019”.
3. To consider and approve the proposal in relation to the report on final accounts of the Company for the year 2019 (as set out in the 2019 annual report of the Company).
4. To consider and approve the proposal in relation to the profit distribution plan of the Company for the year 2019.
5. To consider and approve the proposal in relation to the emoluments of Directors and Supervisors of the Company for the year 2019.
6. To consider and approve the proposal in relation to the plan of guarantees to be provided by the Company for the year 2020.

NOTICE OF THE 2019 ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

7. To consider and approve the proposal in relation to the grant of general mandate to the Board of Directors to issue shares.
8. To consider and approve the proposal in relation to the amendments to the Articles of Association and the Rules of Procedure for General Meetings.

BRIEFING

9. To receive the 2019 performance report of the Independent Non-executive Directors.

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

Beijing, the PRC
14 May 2020

Notes:

- (1) In order to determine the list of shareholders who are entitled to attend the AGM, the registers of members of the Company will be closed from Friday, 29 May 2020 to Monday, 29 June 2020, both days inclusive, during which period no transfer of shares will be effected. In order to attend and vote at the AGM, holders of H Shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at or before 4:30 p.m. on Thursday, 28 May 2020.
- (2) A shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. Where a shareholder appoints more than one proxy, his proxies may only vote by poll.
- (3) The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporation, that instrument must be either under the seal of the Company or under the hand of its director(s) or duly authorized attorney(s). If that instrument is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
- (4) In order to be valid, the form of proxy together with the power of attorney or other authorization document (if any) must be deposited at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, for holders of H Shares, and to the Company's office of the Board, for holders of A Shares, not less than 24 hours before the AGM (excluding any public holiday).
- (5) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of the aforementioned matters shall have been received by the Company prior to the commencement of the AGM.

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- (6) For information purpose only, holders of H Shares who intend to attend the AGM in person or by proxy shall return the reply slip to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, and for holders of A Shares of the Company, to the office of the Board of the Company, on or before Tuesday, 9 June 2020 by hand, by post or by fax.
- (7) The address and contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:
- Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990
- (8) The address and contact details of the office of the Board of the Company are as follows:
- MCC Tower, No. 28 Shuguang Xili, Chaoyang District, Beijing, 100028, the People’s Republic of China
Tel: (8610) 5986 8666
Fax: (8610) 5986 8999
- (9) In accordance with the Company’s Articles of Association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, attend and exercise all the voting rights attached to such share at the AGM, and this notice shall be deemed to be given to all joint holders of such share.
- (10) The AGM is expected to take less than two hours. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the AGM shall produce their identity documents.

As at the date of this notice, 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. Lin Jinzhen.

* *For identification purposes only*