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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 2017**
**PROPOSED APPROVAL OF THE PROPOSAL OF PROFIT DISTRIBUTION PLAN OF
THE COMPANY FOR THE YEAR 2017**
**PROPOSED APPROVAL OF THE PROPOSAL OF THE EMOLUMENTS OF DIRECTORS
AND SUPERVISORS OF THE COMPANY FOR THE YEAR 2017**
**PROPOSED APPROVAL OF THE PROPOSAL OF THE PLAN OF GUARANTEES
TO BE PROVIDED BY THE COMPANY FOR THE YEAR 2018**
**PROPOSED APPROVAL OF THE PROPOSAL OF APPOINTMENT OF THE AUDITOR
AND INTERNAL CONTROL AUDITOR OF THE COMPANY FOR THE YEAR 2018**
**PROPOSED APPROVAL OF THE PROPOSAL OF GRANT OF GENERAL MANDATE TO
THE BOARD OF DIRECTORS TO ISSUE SHARES**
**PROPOSED APPROVAL OF THE PROPOSAL OF AMENDMENTS TO
THE ARTICLES OF ASSOCIATION**
AND
**PROPOSED APPROVAL OF THE PROPOSAL OF AMENDMENT TO
THE RULES OF PROCEDURES FOR BOARD MEETINGS**

A letter from the board of directors of the Company is set out on pages 1 to 18 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 Tuesday, 26 June 2018 at 2:00 p.m., are set out on pages 44 to 46 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 Wednesday, 6 June 2018.

11 May 2018

* *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”	means 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”	means the 2017 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 Tuesday, 26 June 2018 at 2:00 p.m.;
“Articles of Association”	means the articles of association of the Company;
“Board” or “Board of Directors”	means the board of directors of the Company;
“Company” or “MCC”	means 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)”	means the director(s) of the Company, including all executive, non-executive and independent non-executive directors;
“Group”	means the Company and all of its subsidiaries;
“H Shares”	means 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”	means the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Notice”	means the notice convening the AGM;
“PRC”	means the People’s Republic of China, but for the purposes of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Shareholders”	means shareholders of the Company;
“Shares”	means share(s) of the Company with a nominal value of RMB1.00 each, which refer(s) to both A Shares and H Shares;
“Supervisors”	means the supervisors of the Company;
“Supervisory Committee”	means the Supervisory Committee of the Company; and
“Two Funds”	means the accounts receivables and inventories.

LETTER FROM THE BOARD



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. Jing Tianliang (*Non-executive Director*)
Mr. Yu Hailong (*Independent Non-executive Director*)
Mr. Ren Xudong (*Independent Non-executive Director*)
Mr. Chan Ka Keung, Peter
(*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

11 May 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSED APPROVAL OF THE PROPOSAL OF THE REPORT ON FINAL ACCOUNTS
OF THE COMPANY FOR THE YEAR 2017
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The AGM will be held at MCC Tower, No. 28 Shuguang Xili, Chaoyang District, Beijing, 100028, the PRC, on Tuesday, 26 June 2018 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.

* *For identification purposes only*

LETTER FROM THE BOARD

1. PROPOSED APPROVAL OF THE PROPOSAL OF THE REPORT ON FINAL ACCOUNTS OF THE COMPANY FOR THE YEAR 2017

According to the requirements of Ministry of Finance of the PRC, State-owned Assets Supervision and Administration Commission of the State Council, China Securities Regulatory Commission, Shanghai Stock Exchange, Hong Kong Stock Exchange, China Minmetals Corporation and the Company for the annual financial report, the Company has completed the preparation work for the financial report for the year 2017, 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 2017 is as follows:

(1) Revenue and profit

In 2017, the operating revenue increased by RMB24,420 million to RMB244,000 million, representing a year-on-year growth of 11.1%. Total profit increased by RMB1,320 million to RMB8,970 million, representing a year-on-year increase of 17.4%. Net profit increased by RMB740 million to RMB6,710 million, representing a year-on-year increase of 12.4%. Net profit attributable to the parent company increased by RMB680 million to RMB6,060 million, representing a year on year increase of 12.8%.

(2) Cash flows

In 2017, net cash inflow generated from operating activities amounted to RMB18,420 million, representing a year-on-year decrease of RMB1,400 million. Net cash outflow generated from investing activities amounted to RMB18,280 million, representing a year-on-year increase of RMB15,090 million. Net cash outflow generated from financing activities amounted to RMB2,100 million, representing a year-on-year decrease of RMB3,500 million.

(3) Assets and liabilities

As of the end of 2017, total assets of the Company increased by RMB37,080 million to RMB414,570 million, representing an increase of 9.8% over the end of previous year. Total liabilities increased by RMB22,860 million to RMB317,240 million, representing an increase of 7.8% over the end of previous year. Net assets increased by RMB14,210 million to RMB97,320 million, representing an increase of 17.1% over the end of previous year. Gearing ratio was 76.52%, representing a decrease of 1.46 percentage points over the end of previous year.

For detailed financial data for the year ended 31 December 2017, please refer to the section headed “financial report” in the 2017 annual report of the Company.

The proposal has been considered and approved at the 36th meeting of the second session of the Board of the Company, and will be proposed for consideration and approval at the 2017 AGM of the Company.

LETTER FROM THE BOARD

2. PROPOSED APPROVAL OF THE PROPOSAL OF PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR THE YEAR 2017

According to the 2017 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 2017 amounted to RMB6,061.4881 million, and the undistributed profit of the head office of MCC amounted to RMB3,580.0820 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 RMB0.68 per 10 Shares (tax inclusive) that added up to a total amount of RMB1,409.21 million, representing 39.36% of the total distributable profit and 23.25% 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 RMB2,170.88 million. The proposal has been considered and approved at the 36th meeting of the second session of the Board of the Company, and will be proposed for consideration and approval at the 2017 AGM of the Company.

3. PROPOSED APPROVAL OF THE PROPOSAL OF THE EMOLUMENTS OF DIRECTORS AND SUPERVISORS OF THE COMPANY FOR THE YEAR 2017

According to the relevant requirements of the Articles of Association, the emoluments of the Directors and the Supervisors for the year ended 31 December 2017 are set out below:

Directors' and Supervisors' emoluments

Unit: RMB

Name	Basic salaries, housing allowances, other allowances and benefits-in-kind	Pension scheme contributions (Pension insurance borne by the Company)	Performance remuneration	Total annual remuneration	Remark
Directors					
Guo Wenqing ⁽¹⁾	0.00	0.00	0.00	0.00	Incumbent
Zhang Zhaoxiang ⁽¹⁾	0.00	0.00	0.00	0.00	Incumbent
Jing Tianliang	119,040.00	–	–	119,040.00	Incumbent
Yu Hailong	148,020.00	–	–	148,020.00	Incumbent
Ren Xudong	136,020.00	–	–	136,020.00	Incumbent
Chan Ka Keung, Peter	142,020.00	–	–	142,020.00	Incumbent
Lin Jinzhen	477,227.00	50,235.24	417,700.00	945,162.24	Incumbent

LETTER FROM THE BOARD

Name	Basic salaries, housing allowances, other allowances and benefits-in-kind	Pension scheme contributions (Pension insurance borne by the Company)	Performance remuneration	Total annual remuneration	Remark
Supervisors					
Peng Haiqing ⁽²⁾	120,804.00	16,156.08	49,400.00	186,360.08	Incumbent
Shao Bo	469,207.00	50,235.24	354,520.00	873,962.24	Incumbent
Yan Aizhong	440,327.00	50,235.24	433,744.00	924,306.24	Incumbent

Note (1): Mr. Guo Wenqing and Mr. Zhang Zhaoxiang has been working in China Minmetals Corporation since July 2016, and did not receive remuneration in MCC at the end of 2017 due to change in employment relations. Therefore, the executive directors disclosed a total remuneration of nil.

Note (2): Mr. Peng Haiqing has been assigned to China Minmetals Corporation since April 2017 in relation to labour relations and employment relations. The above data refers to the remuneration received from MCC during January to March 2017.

The proposal has been considered and approved at the 36th meeting of the second 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 2018

The Board proposed that the Company and its subsidiaries provide guarantees of up to RMB13,107 million (or its equivalent in foreign currency, same as below) in 2018 for the purposes of satisfying the requirements of the Company and its subsidiaries for financing by way of guarantees 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 2018

The Company and its subsidiaries plan to provide guarantees of up to RMB10,607 million (exclusive of the letters of guarantee to be provided by MCC Finance Corporation Ltd.) for the year 2018, representing 12.86% of the audited net assets attributable to the Shareholders of the listed company as at the end of 2017, which specifically include:

- (a) the guarantees intended to be provided by the head office of MCC for its subsidiaries amounting to not more than RMB7,940 million;

LETTER FROM THE BOARD

- (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 RMB2,667 million.

Guarantees under the above guarantee plan include security, mortgage, pledge, lien and deposit 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 agreements 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.

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

The amounts of non-financing 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 RMB2.5 billion for the year 2018 (representing approximately 3.03% of the unaudited net assets attributable to the Shareholders of the listed company at the end of 2017), 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 2017 AGM to the convening date of the annual general meeting for the year 2018.

A total of 30 guaranteed companies are involved in the guarantees under the guarantee plan, including 7 second-tier subsidiaries and 23 third-tier or below subsidiaries of the Company.

LETTER FROM THE BOARD

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

The Board has resolved to seek a general authorization at the AGM of the Company to authorize the Company's president office to approve each specific guarantee business within the scope of the above guarantee plan for the Company and its subsidiaries:

- (a) to authorize the Company's president office to approve the specific guarantee business and adjustment matter under the 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 non-financing letters of guarantee and acceptance bills.

The proposal has been considered and approved at the 36th meeting of the second 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 29 March 2018.

5. PROPOSED APPROVAL OF THE PROPOSAL OF APPOINTMENT OF THE AUDITOR AND INTERNAL CONTROL AUDITOR OF THE COMPANY FOR THE YEAR 2018

The Board proposed to appoint Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) as the auditor and the internal control auditor of the Company for the year 2018 and proposed to authorize the Board to determine their remunerations. The resolution has been considered and approved at the 36th meeting of the second session of the Board of the Company, and will be proposed for consideration and approval at the AGM.

6. 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, flexibly and effectively leverage on the financing platforms of both Shanghai and Hong Kong, in accordance with the relevant laws and rules of the PRC, the rules governing listing rules at the place where the Shares of the Company are listed, and the Articles of Association of the Company, the Board shall propose to the general meeting by way of special resolution to approve the grant of general mandate to the Board to issue Shares.

LETTER FROM THE BOARD

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 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; or

(3) the date on which the authority granted to the Board set out in 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;

(c) the Board will only exercise its power under such mandate in accordance with the laws and rules of the PRC and the listing rules at the place where the Shares of the Company are listed and all applicable laws, rules and regulations of any other government or regulatory bodies (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.

LETTER FROM THE BOARD

- 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 things 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 in instalments, 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 duly make such amendments to the Articles of Association of the Company as it thinks appropriate and necessary so as to reflect new capital structure of the Company and the new registered share capital by reference to the manner of the issuance, class and number of shares of the Company issued, as well as the actual situation of the capital structure of the Company after such issuance; and to take any necessary actions and to go through any necessary procedures (including but not limited to obtaining approvals from relevant regulatory authorities and completing registration processes with relevant industrial and commercial administration) in order 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 that the general meeting shall, subject to the condition that the above mandate is being granted to the Board, delegate the Chairman such mandate to take charge of all matters related to the issuance of shares.

As required by the relevant domestic laws and rules in the PRC, the Company shall still propose the specific matter in respect of issuance of A Shares again to all Shareholders at the general meeting for consideration and approval even if the general mandate is obtained by the Board.

The resolution has been considered and approved at the 38th meeting of the second session of the Board of the Company, and will be proposed for consideration and approval at the AGM.

LETTER FROM THE BOARD

7. PROPOSED APPROVAL OF THE PROPOSAL OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to implement the spirit of Sixth Plenary Session of 18th Central Committee of Communist Party of China and Party Building Work Conference of National State-owned Enterprises so as to integrate the reinforcement of leadership of the Party with the improvement of corporate governance, the Company intended to add relevant articles in relation to Party building in the Articles of Association. In accordance with the latest requirements under Guidelines on Articles of Association of Listed Companies, with an aim of further safeguarding the interests of minority investors whilst improving corporate governance, and taken into account the actual situation of the Company, the Company intended to add specific arrangements on accumulative voting system in the Articles of Association and make minor amendments to certain articles, details of which are as follows:

Article	Before the amendment	After the amendment
Article 1	In a bid to safeguard the legitimate rights and interests of Metallurgical Corporation of China Ltd. (the “Company”), its Shareholders and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the State Council’s Extraordinary Regulations on Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “Extraordinary Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Guidelines on Articles of Association of Listed Companies (the “Guidelines on Articles of Association”) and other relevant regulations.	In a bid to safeguard the legitimate rights and interests of Metallurgical Corporation of China Ltd. (the “Company”), its Shareholders and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the State Council’s Extraordinary Regulations on Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “Extraordinary Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Guidelines on Articles of Association of Listed Companies (the “Guidelines on Articles of Association”), <u>the Constitution of the Communist Party of China</u> and other relevant regulations.
Article 2	…… The Company was established by way of promotion with the approval of the State-owned Assets Supervision and Administration Commission of the State Council. The Company was registered with the State Administration for Industry and Commerce of the People’s Republic of China and was granted the corporate legal person’s business license on 1 December 2008. <u>The number of its corporate legal person’s business license is: 10000000041958.</u> ……	…… The Company was established by way of promotion with the approval of the State-owned Assets Supervision and Administration Commission of the State Council. The Company was registered with the State Administration for Industry and Commerce of the People’s Republic of China and was granted the corporate legal person’s business license on 1 December 2008. <u>The unified social credit code of the Company is: 91110000710935716X.</u> ……

LETTER FROM THE BOARD

Article	Before the amendment	After the amendment
Article 22	The registered capital of the Company was RMB13 billion at the time of incorporation. After the initial public offering of domestic Shares and/or over-seas listed foreign Shares, any changes in the registered capital of the Company shall be registered with the <u>State Administration for Industry and Commerce</u> according to actual conditions and shall be filed under the approving department authorized by the State Council and the securities regulatory authority of the State Council.	The registered capital of the Company was RMB13 billion at the time of incorporation. After the initial public offering of domestic Shares and/or over-seas listed foreign Shares, any changes in the registered capital of the Company shall be registered with the <u>registration and administration departments for industry and commerce</u> according to actual conditions and shall be filed under the approving department authorized by the State Council and the securities regulatory authority of the State Council.
Article 102	…… The Board of Directors, Independent Directors and Shareholders who meet the relevant specified conditions may solicit the voting rights of Shareholders. ……	…… The Board of Directors, Independent Directors and Shareholders who meet the relevant specified conditions may solicit the voting rights of Shareholders. <u>The Company shall not impose any limitation related to minimum shareholdings on the collection of voting rights.</u> ……
Article 110	The list of candidates for the position of director and supervisor shall be submitted in the form of a proposal to the General Meeting for voting. <u>When the General Meeting votes on the election of Directors and Supervisors, the accumulative voting system may be implemented according to these Articles of Association or the resolution of the General Meeting.</u>	The list of candidates for the position of director and supervisor shall be submitted in the form of a proposal to the General Meeting for voting. When the General Meeting votes on the election of Directors and Supervisors, the accumulative voting system may be implemented according to these Articles of Association or the resolution of the General Meeting. <u>When the shareholding of the controlling shareholder exceeds 30%, the accumulative voting system shall be adopted to elect two or more Directors or Supervisors at the General Meeting.</u>

LETTER FROM THE BOARD

Article	Before the amendment	After the amendment
	<p>The accumulative voting system as described in the previous paragraph means that when the General Meeting elects Directors or Supervisors, each Share shall have a voting right equal to the number of Directors and Supervisors to be elected, and Shareholders may collectively use their voting rights. The Board of Directors shall disclose to the Shareholders the resumes and basic information of the candidates.</p>	<p>The accumulative voting system as described in the previous paragraph means that when the General Meeting elects Directors or Supervisors, each Share shall have a voting right equal to the number of Directors and Supervisors to be elected, and Shareholders may collectively use their voting rights. <u>The Shareholders' voting power can be used in a concentrated way to elect one person, or used in decentralized voting to elect several people, and the Directors and Supervisors are elected successively according to their number of votes obtained.</u> The Board of Directors shall disclose to the Shareholders the resumes and basic information of the candidates.</p> <p><u>Under the accumulative voting system, the independent Directors and non-independent Directors of the Company shall be elected separately. All the Shareholders' voting rights in the election of independent Directors equal to the total number of shares held by them times the number of independent Directors to be elected, the portion of which shall only be voted for independent Director candidates. All the Shareholders' voting rights in the election of non-independent Directors equal to the total number of shares held by them times the number of non-independent Directors to be elected, the portion of which shall only be voted for non-independent Director candidates.</u></p> <p><u>When the Company convenes the General Meeting for the election of Directors and Supervisors, it shall explain to the Shareholders the specific contents of the accumulative voting system and the voting rules, and shall inform them of the voting rights for each share in the election of Directors and Supervisors. When implementing the accumulative voting system, the voting Shareholders shall specify the names of all the Directors and Supervisors they elect on a ballot paper and mark the number of voting rights used by them immediately after the name of each Director and Supervisor they elect. In counting the ballot papers, the total number of voting rights obtained by each Director and Supervisor candidate shall be calculated for determination of the elected Directors and Supervisors.</u></p>

LETTER FROM THE BOARD

Article	Before the amendment	After the amendment
		<p><u>When accumulative voting is adopted at the General Meeting to elect Directors and Supervisors, the following rules shall be followed:</u></p> <p><u>(I) When the accumulative voting system is adopted at the General Meeting to elect Directors and Supervisors, all the Shareholders are entitled to cast the total number of voting rights held by them to one or several Director and Supervisor candidates at their own wish (proxies shall follow the instructions on the proxy forms), provided that the number of Director and Supervisor candidates voted by a Shareholder shall not exceed the number of Directors and Supervisors to be elected; if so exceeded, all the Shareholder's votes will be deemed invalid;</u></p> <p><u>(II) If the total number of voting rights exercised by a Shareholder to one or several Director and Supervisor candidates in a concentrated or decentralized way exceeds the total number of voting rights held by him or her, all the Shareholder's votes will be deemed invalid;</u></p> <p><u>(III) If the total number of voting rights exercised by a Shareholder to one or several Director and Supervisor candidates in a concentrated or decentralized way is less than the total number of voting rights held by him or her, the Shareholder's votes are valid, and the difference will be deemed as abstaining;</u></p> <p><u>(IV) Director or Supervisor candidates are ranked in descending order according to their total number of votes obtained, and the Director or Supervisor candidates who are ranked prior to the number of Directors or Supervisors to be elected (including the number) shall be elected. However, the total number of votes obtained to be elected as Directors or Supervisors shall exceeds half of the total number voting rights held by the Shareholders attending the General Meeting (based on the number of unaccumulated shares);</u></p>

LETTER FROM THE BOARD

Article	Before the amendment	After the amendment
		<p><u>(V) If the total number of votes obtained by two or more candidates is identical, and the total number of votes is the least among all candidates, a second round of voting shall be conducted at the General Meeting in relation to the Director or Supervisor candidates obtaining the identical total number of votes in accordance with the prescribed procedures where all of them being elected would cause the number of elected candidates exceeding the number of Directors or Supervisors to be elected. If it fails to determine the elected candidates at the second round of voting, the corresponding election shall be conducted at the next General Meeting. If the members of the Board of Directors or the Supervisory Committee are less than two-thirds as prescribed in the Articles of Association, another General Meeting shall be convened within two months after the conclusion of the current one to elect the outstanding Directors or Supervisors.</u></p>
Article 117	Shareholders present at the General Meeting shall express one of the following opinions on each proposal submitted for voting: affirmative, negative or abstain, unless securities registration and settlement institutions, as the nominal holders of Shares that can be traded through Shanghai-Hongkong Stock Connect, make declarations according to the intention of actual holders.	Shareholders present at the General Meeting shall express one of the following opinions on each proposal submitted for voting: affirmative, negative or abstain, unless securities registration and settlement institutions, as the nominal holders of Shares that can be traded through <u>the Stock Connect Program between Mainland China and Hong Kong</u> , make declarations according to the intention of actual holders.
New Article 145	Nil.	The opinions of the Party Committee of the Company shall be heard before the Board decides on material issues of the Company.

LETTER FROM THE BOARD

Article	Before the amendment	After the amendment
The section headed Section XIV “Party Committee of the Company” was newly added, including Article 193 and Article 195:		
New Article 193	Nil.	<u>The Company shall establish an organization of the Communist Party of China in accordance with the Constitution of the Communist Party of China. The Party organization shall play the core leadership role and core political role, providing direction, managing the overall situation and ensuring implementation. The Company shall also establish the working organs of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</u>
New Article 194	Nil.	<u>The Company shall establish the Party Committee. The number of secretary, deputy secretary and members shall be determined in accordance with the approval from the Party organizations of higher levels and they shall be elected or appointed pursuant to relevant requirements of the Constitution of the Communist Party of China and other regulations. Eligible members of the Party Committee may take seats in the Board of Directors, the Supervisory Committee and the senior management through legal procedures, while eligible members of the Board of Directors, the Supervisory Committee and the senior management may take seats in the Party Committee in accordance with relevant rules and procedures. Meanwhile, a discipline inspection committee shall be established in accordance with relevant requirements. The secretary of the discipline inspection committee may attend meetings of the Board of Directors and the special committees of the Board of Directors of the Company.</u>

LETTER FROM THE BOARD

Article	Before the amendment	After the amendment
New Article 195	Nil.	<p data-bbox="922 261 1390 370"><u>The Party Committee of the Company shall perform its duties pursuant to the Constitution of the Communist Party of China and other regulations of the Party.</u></p> <p data-bbox="922 423 1390 693"><u>(I) To ensure and supervise the Company’s implementation of policies and guidelines of the Party and the State, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of the Party organizations of higher levels.</u></p> <p data-bbox="922 746 1390 1336"><u>(II) To adhere to the principle of the Party supervising the performance of officials while ensuring the lawful selection by the Board of Directors of the senior management and the lawful exercise of the power of the senior management in the employment of personnel. The Party Committee shall consider and provide comments and suggestions on the proposed candidates nominated by the Board of Directors or the general manager, or recommend candidates to the Board of Directors or the general manager; evaluate the proposed candidates in conjunction with the Board of Directors, collectively study and provide comments and suggestions.</u></p> <p data-bbox="922 1389 1390 1576"><u>(III) To study and discuss the stability of reform and development of the Company, major operational and management issues and major issues concerning employees’ interests, and provide comments and suggestions.</u></p>

LETTER FROM THE BOARD

Article	Before the amendment	After the amendment
		<p>(IV) <u>To undertake the main responsibility of comprehensive and strict Party management; to lead the Company’s ideological and political work, the united front work, the spiritual civilization construction, the corporate culture cultivation as well as the work of groups such as the labor union and the Communist Youth League; to lead the construction of the Party’s working style and its clean and honest administration, and support the discipline inspection committee in earnestly performing its supervisory responsibilities.</u></p> <p>(V) <u>To handle other important matters within the scope of duties of the Party Committee.</u></p>

The numbering of other chapters and clauses, and numbering of cited clauses in the Articles of Association are reordered accordingly. Save as the amendments above, other articles remain unchanged.

The resolution has been considered and approved at the 32th and 38th meeting of the second session of the Board of the Company, and will be proposed for consideration and approval at the AGM.

8. PROPOSED APPROVAL OF THE PROPOSAL OF AMENDMENT TO THE RULES OF PROCEDURES FOR BOARD MEETINGS

Based on the above amendments to the Articles of Association of the Company, the Company intends to add the article into the Rules of Procedures for Board Meetings in relation to Party building accordingly. Specific amendment to the Rules of Procedures for Board Meetings is as follows:

Article	Before the amendment	After the amendment
Article 4	<p>…… In exercising the aforesaid powers and functions, the Board shall also comply with applicable domestic and overseas laws and regulations and the listing rules of the stock exchange(s) where the shares of the Company were listed.</p>	<p>…… In exercising the aforesaid powers and functions, the Board shall also comply with applicable domestic and over-seas laws and regulations and the listing rules of the stock exchange(s) where the shares of the Company were listed. <u>The Board shall hear the opinions of the Party Committee before making decisions.</u></p>

LETTER FROM THE BOARD

The amendment to the Rules of Procedures for Board Meetings have been considered and approved at the 38th meeting of the second session of the Board of the Company, and will be proposed for consideration and approval at the AGM.

9. PERFORMANCE REPORT BY 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 2017" (see Appendix II)
- (2) the proposal in relation to the "Work Report of the Supervisory Committee of MCC for the Year 2017" (see Appendix III)
- (3) the proposal in relation to the financial accounts report of the Company for the year 2017 (as set out in the 2017 annual report of the Company)
- (4) the proposal in relation to the profit distribution plan of the Company for the year 2017
- (5) the proposal in relation to the emoluments of Directors and Supervisors of the Company for the year 2017
- (6) the proposal in relation to the plan of guarantees to be provided by the Company for the year 2018
- (7) the proposal in relation to the appointment of the auditor and internal control auditor of the Company for the year 2018
- (8) the proposal in relation to grant of general mandate to issue Shares to the Board of Directors
- (9) the proposal in relation to amendments to the Articles of Association
- (10) the proposal in relation to amendment to the Rules of Procedures for Board 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 Sunday, 27 May 2018 to Tuesday, 26 June 2018, 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 Friday, 25 May 2018 for registration. Details of the AGM are set out in the Notice dated 11 May 2018.

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 Wednesday, 6 June 2018 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.

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

* For identification purpose only

**PERFORMANCE REPORT BY
THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF
THE METALLURGICAL CORPORATION OF CHINA LTD.* FOR 2017**

Dear Shareholders and Shareholders' representatives,

In 2017, as the independent Directors of the second session of the Board of Metallurgical Corporation of China Ltd.* (the "MCC" or the "Company"), we diligently and conscientiously discharged the duties of independent Directors strictly in accordance with the relevant laws and regulations such as the "Company 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》) 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》), the Articles of Association of Metallurgical Corporation of China Ltd., 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 other policies of the Company to perform their duties independently and responsibly. We timely understood the production and operating information, cared about the overall development, actively attended the Board meetings and meetings of the special committees of the Company, participated in major operation and decision-making and gave our opinions on significant events independently, objectively, and prudently, and fully demonstrated the independence of independent Directors, thereby effectively exercised our role as independent Directors, protected the interests of the Company as a whole and safe-guarded the legitimate interests of all Shareholders, in particular, the minority Shareholders. Major work performed during for the year 2017 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:

Director Yu Hailong currently serves as a member of the Finance and Audit Committee, Remuneration and Appraisal Committee and 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 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 Corp. (中國航天科工集團公司) 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 CRRC Corporation Limited (中國中車股份有限公司).

The detailed biographies of independent Directors are set out in the 2017 annual report of the Company.

(II) Independence

Neither independent Directors nor their immediate relatives and important social connections 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 independent Directors provides such services as financial, legal, management consultancy or technical consultancy 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 System 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 CSRC 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 2017, the Board of the Company proactively expanded the communication channels and promoted the optimization of 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, safe-guarding the effective performance of the duties of independent Directors. With the active support and assistance from the Company at all levels, each independent Director diligently discharged their duties and effectively fulfilled the duties in accordance with the laws and regulations.

(1) Duty performance safeguard report of independent Directors

Firstly, in the course of its operation, 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 properly adopted, thereby 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 keep enhancing duty performance ability and providing support for making wise decisions.

(2) Actively attending various meetings and fulfilling the duties of independent Directors***1. Shareholders' general meetings***

On 26 June 2017, the Company convened the 2016 annual general meeting, and Chan Ka Keung, Peter, an independent Director, attended the meeting.

2. Board meetings

In 2017, the second session of the Board of MCC convened 7 meetings, including 6 meetings held by onsite meeting and one meeting held via communication. The Board considered 70 proposals and heard reports in aggregate and passed 53 resolutions.

Each independent Director attended in person or duly appoint other independent Directors on their behalf to attend the above-mentioned meetings in compliance with relevant legal requirements, 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
Yu Hailong	7	7	1	0	0
Ren Xudong	7	7	1	0	0
Chan Ka Keung, Peter	7	7	1	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 decision-making of the Board. Meanwhile, the independent Directors exercised their voting rights independently, thereby ensuring the independence of decision-making of the Board.

3. Meetings of special committees of the Board

The attendance 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

APPENDIX I PERFORMANCE REPORT BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS

In 2017, each of the special committees held 9 meetings, at which 36 topics were discussed. Among which, the Strategic Committee held one meeting, at which one issue was considered and discussed; the Finance and Audit Committee held five meetings, at which 32 issues were considered and discussed; the Nomination Committee held one meeting, at which one issue was studied and discussed; and the Remuneration and Appraisal Committee held two meetings, at which two issues were studied and discussed.

The attendance of each independent Director 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)
Yu Hailong	8	5	1	2
Ren Xudong	6	3 (attended as non-voting delegates) ¹	1	2
Chan Ka Keung, Peter	5	5	–	–

In the course of performing their duties in special committees, all independent Directors leveraged on a combination of their 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, 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 decision-making of the Board is objective, fair and wise.

(3) Earnestly considering significant matters and prudently issuing opinions

In 2017, each independent Director earnestly reviewed the matters submitted to the Board, 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 Profit Distribution Plan of MCC for the year 2016 (the 29th meeting of the second session of the Board)

¹ Ren Xudong as an independent Director attended a total of three meetings of the Finance and Audit Committee as non-voting delegates.

APPENDIX I PERFORMANCE REPORT BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS

2. The Proposal in Relation to the Emoluments of Directors and Supervisors of Metallurgical Corporation of China Ltd. for the year 2016 (the 29th meeting of the second session of the Board)
3. The Proposal in Relation to Temporary Use of Idle Funds Raised from A Share Issuance as Supplementary Working Capital (the 29th meeting of the second session of the Board)
4. The Proposal in Relation to the Use of Idle Funds Raised from H Share Issuance as Supplementary Working Capital (the 29th meeting of the second session of the Board)
5. The Proposal in Relation to the Plan of Guarantees to be Provided by MCC for the year 2017 (the 29th meeting of the second session of the Board)
6. The Explanation Regarding the Situation of Guarantees of MCC for the year 2016 (the 29th meeting of the second session of the Board)
7. The Proposal in Relation to the Investment Project Invested with Proceeds Raised by way of Private Placement (the 29th meeting of the second session of the Board)
8. The Proposal in Relation to the Application of Annual Caps for the Routine Connected Transactions/Continuing Connected Transactions for 2017–2019 and Signing of Agreements on Connected Transactions (the 30th meeting of the second session of the Board)
9. The Proposal in Relation to Initiating the Establishment of MCCCIF Partnership (LP) (the 33rd meeting of the second session of the Board)

(4) Actively conducting on site survey and strengthening an understanding of operating conditions

On 23 to 25 April 2017, Ren Xudong and Chan Ka Keung, Peter as independent Directors of MCC travelled to Zhuhai and Shenzhen to conduct investigation, research and guidance work for certain projects. During the period of investigation and research, independent Directors debriefed work reports from Baoye Shizimen Project Company, MCC 20 Guangdong subsidiary, Shenzhen MCC Utility Tunnel Construction and Investment Co., Ltd., MCC South China Construction Investment Co., Ltd., respectively, and initiated on-site inspection for the Zhuhai Shizimen Project, Zhuhai Hengqin Headquarters Building, Hengqin Exhibition Hall, Huangdao Road Utility Tunnel Center and tunnel projects in Hengqin City, and the infrastructure EPC project of Shenzhen Apollo Future City.

From 30 to 31 August 2017, Ren Xudong and Chan Ka Keung, Peter as independent Directors of MCC travelled to the Chengdu area to conduct investigation, research and guidance work for subsidiaries and certain projects. During the period of investigation and research, independent Directors debriefed work reports from China MCC 19 and China MCC 5, respectively, and learned about the two companies in detail concerning areas such as history and evolution, production and operation, corporate management, development pathways and team building, and initiated on-site inspection on MCC Tianfu Building project of China MCC 19, the underground utility tunnel project for Zhonghe Subdistrict of Chengdu Hi-tech Industrial Development Zone, the Chengdu Yinlong New Energy Auto Industrial Park Project and the Chengtong West Road Project of China MCC 5.

From 10 to 16 December 2017, Yu Hailong, Ren Xudong and Chan Ka Keung, Peter as independent Directors of MCC travelled to MCC OVERSEAS (M) SDN BHD and the Singapore company under MCC Central Research Institute of Building and Construction in person to conduct investigation, research and guidance work. During the period of investigation and research, independent Directors debriefed work reports from the two companies, respectively, and learned about the two companies in detail concerning areas such as history and evolution, production and operation, corporate management, development pathways and team building, and initiated on-site inspection on Sunway Velocity Project, W Kuala Lumpur hotel project, the project of a Business Complex consisting of Kempinski Hotel and Serviced Apartments in Kuala Lumpur, the Kuantan joint steel project of 3.50 million tonnes undertaken by MCC OVERSEAS (M) SDN BHD; and The Santorini private apartment sales center project, the Alps execution and condominium project, metro transit railway T311 project, as well as the Sentosa theme park project, etc. undertaken by the Singapore company under MCC Central Research Institute of Building and Construction.

During the previous investigations, the independent Directors combined their own work experience and proposed a number of constructive opinions on the development models, business ideas, management methods of the subsidiaries, and put forward various specific requirements for project management, risk control and other aspects.

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

In 2017, each independent Director performed the duties of independent Directors diligently and in good faith, attended meetings on schedule, 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, daily operations and so on, 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 wise decision-making of the Board. Key concerns for 2017 are as follows:

(1) Connected transactions

During the reporting period, each independent Director has conducted prior inspection to all matters involving connected transactions of the Company, and issued their independent opinion. They were of the view that the connected transactions and consideration procedures were in compliance with the requirements of laws and regulations, relevant transaction behaviors were carried out under the market economic principle in an open, fair and reasonable manner, and the transaction prices were reasonable and fair without prejudice to neither the interests of the Company nor non-connected Shareholders, nor would it affect the independence of the Company.

(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 of 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 CSRC. 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 matters such as temporary use of 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 fundraising projects and were beneficial to improve the utilization efficiency and effectiveness of proceeds. This was in the interests of the Company and all Shareholders. The relevant consideration procedures complied with relevant laws and regulations and the Articles of Association.

(4) 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.

(5) Appointment or change of auditors

The independent Directors were involved in reappointment 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.

(6) 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 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.

(7) Operation of the Board and its special committees

In 2017, the special committees of the Board considered the matters within their respective terms of reference and functioned in an orderly manner.

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 2017, 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 2018, 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 through concerted efforts, 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:

Yu Hailong, Ren Xudong, Chan Ka Keung, Peter

**WORK REPORT OF THE BOARD
OF METALLURGICAL CORPORATION OF CHINA LTD.* FOR 2017**

In 2017, Metallurgical Corporation of China Ltd. (hereinafter referred as “MCC” or the “Company”) followed the development trend and forged ahead steadily with a firm determination and by concerted efforts. Guided by the strategic positioning of “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 the development of advanced technologies and high quality”, the Company maintained positive interaction between market expansion and strengthened management, therefore improving both quality and benefit. During the year, the Board was in line with “deciding strategies, managing teams, discussing material 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 foster stable development of the Company. In 2017, the operating results of the Company achieved a new record high and the Company maintained a strong momentum.

I. OPERATING RESULTS OF THE COMPANY

In 2017, by enhancing design and operation of “macro environment, mega projects and heavyweight clients”, with a focus on promoting the national team for metallurgical construction to be advanced, optimized and recreated, the Company strengthened its leading position in the metallurgical market, and undertook almost medium and large metallurgical projects within China and in countries along the “the Belt and Road”. Benefiting from high-level, high-end and high-value marketing, the Company also enhanced delicacy management and improved self-cultivation, so as to realize better quality and enhance efficiency. Just within a year, the “year of construction improvement” (工程建設提升年) initiative fostered a mighty force in project management to realize better management practices. In 2017, the accumulated new contracted value of the Company made a great stride to reach RMB604,901 million, representing a year-on-year growth of 20.40%. The operating revenue amounted to RMB244,000 million, representing a year-on-year growth of 11.13%. Total profit was RMB8,975 million, increased by 17.35% year on year; net profit attributable to Shareholders of the Company recorded RMB6,061 million, increased by 12.75% year on year.

In 2017, the Company kept improving its hard and soft power simultaneously to improve its brand influence. While attracting clients by pursuing advanced technology, lowered costs and better quality, the Company also valued the recognition of cultural brand. It won a fame by its technology advantages, ranking top among central enterprises in metallurgical and construction industries by 4 honors of State Science and Technology Prize in 2017. It is also the greatest winner in China Patent Award, with one gold award and 19 excellence awards, and became the only company that won China Patent Gold Award for three consecutive years. The Company had 7,868 new patent applications and 3,806 new authorized patents, accumulating 21,004 effective patents and ranking the fourth among central enterprises for four consecutive years. Pieces of positive news about MCC were frequently circulated by mainstream media including CCTV, Xinhua News and People’s Daily.

In 2017, the Company made a balance between development and risk control and optimized its operating quality. Development was the top priority and the unshakable key note. But prudential risk control also played a key role, and the Company set up a complete risk control system. The Company took strict policies to reduce funds appropriated to accounts receivable and inventories, deepened structure streamlining, disposed zombie members and offered bailout to troubled members, and urged loss-making members to reform. In the meantime, it rolled out strict policies to control investment risks, and kept optimizing the investment structure.

In 2017, the investment value of the Company achieved an unprecedented increase. Among the first array of companies to be incorporated into the MSCI Emerging Market Index, with honor the Company won the “2017 China Financial Market Award” – “the Best Sustainable Development Award” and “the Best Investor Relations Award” of the year.

(I) Engineering Contracting Business

In 2017, the new construction contracts of the Company amounted to RMB555.830 billion, representing a year-on-year increase of 21.89%, further creating a record high. Newly signed metallurgical engineering contracts amounted to RMB78.857 billion, accounted for 14.19% of the new contracts, representing an increase of 72.30% as compared with 2016. Newly signed non-steel engineering contracts amounted to RMB476.973 billion, accounted for 85.81% of the new contracts, representing an increase of 16.26% as compared with 2016. Newly signed overseas contracts amounted to RMB57.054 billion.

The overall operating results of the engineering contracting business in 2017

Unit: RMB'000

	2017	% of the total	2016	Year-on-year growth
Segment turnover	208,612,860	83.65%	187,638,690	11.18%
Gross margin (%)	11.15	–	11.05	Increased by 0.10 percentage point

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

1. *Metallurgical Engineering Construction Business*

Being a pioneer and founder of the iron and steel industry in China, the Company adheres to its position of the “national team for metallurgical construction” during the reporting period to deepen the development and construction of the whole-process, full-function and full-lifecycle business and service system, continuously conquer the difficulties on core technology, and propel the implementation of the top-level design plan and strategies by a national team of advisers. The Company pushed forward the integration of internal resources and professional echelon division. It is committed to creating a competent and the strongest lineup of national team for metallurgical construction, continuously increasing the competitiveness and influence of the Company in the international iron and steel engineering technology sector. The Company retained and matched the advantageous resources in accordance with the 8 major units and 19 business units in the traditional metallurgical procedures to develop the leading core technology by requiring all sections of the national team to aim for the goal of being the top of the world, put more efforts on technological research and development with respect to energy conservation and environmental protection, new material, new techniques, new equipment and other aspects, and accelerated the commercialization of the core technology and the continuous strengthening of the overall capability of the “national team” for metallurgical construction. With respect to market development, the Company seized the market opportunity of turnaround in iron and steel industry, focused on advancement, optimization and recreation of major metallurgical industry again, focused on capacity replacement, relocation projects for urban steel plants and metallurgical energy saving and environmental protection technology transformation market, thus largely contracted all the large-scale projects of environmental protection related relocation, energy saving and emission reduction and industrial upgrading, and firmly consolidated its position of the “national team for metallurgical construction”.

In the overseas metallurgical construction markets, the Company introduced the Chinese technical standards and the whole industrial chain mode “going out” with the highest level of MCC national team. Following the successful construction of Ha Tinh Steel Plant in Vietnam and Kuantan Steel Plant in Malaysia, the Company entered into a number of special projects during the reporting period, such as the General Contracting Project for Steel Melting of Hoa Phat Company in Vietnam, The subsidiaries of the Company successfully obtained the steel refining, sintering and power generation tender among the intense competition with numerous international and domestic bidders, demonstrating its strength as the MCC national team. The Supervision Project for the Iron and Steel Project in Bolivia, which was the first overseas iron and steel supervision project successfully secured by the Company in South America. The Technical Renovation Project of HBIS Group Serbia Iron & Steel Co., Ltd. created a good start for the Company to implement projects in Eastern Europe. The Major Process Line Project of 3.50 Million Tonnes at Steel Plant in Dexin, Indonesia, which is a modern and comprehensive iron and steel plant project of large scale constructed by the Company in Indonesia.

2. *Non-Steel Engineering Construction Business*

(1) *Fundamental Construction*

In 2017, the Company continued to enhance the design and operation of “macro environment, heavy-weight clients and mega projects”. In line with the national strategy, the Company integrated its advantages and resources and by using developed and dynamic regions including “the Belt and Road” cities, Beijing-Tianjin-Hebei, the Yangtze River Delta and the Pearl River Delta as the battle field, the Company further optimized the market layout. With research in business models, the Company strengthened its ability to contract “high-tech, new, multi-functional and large-scale” projects, stepped up its efforts on market development in non-steel sectors such as municipal infrastructure, premium property construction, regional development, highways, rail transit and civil airports, and achieved remarkable results, with 18 newly-signed strategic agreements supported by projects, it steadily increased its project reserve and sustainability.

In 2017, the Company adhered to pursuing the path for development with advanced technologies and high quality, fully leveraged the innovative advantages of integration of scientific research and engineering, accelerated the transition, transformation and continuous innovation of the technological advantages and resources available in the metallurgical industry to basic construction and emerging industries with broader market prospects, with a total of 14 projects awarded with the Luban Prize. The Company entered into contract for the National Snowmobile and Sleigh Center Project (國家雪車雪橇中心項目), a core key construction for the 2022 Winter Olympics, the Company once again undertook world-class projects on the world’s top architecture stage following the undertaking of international venues for events such as the BRICS Conference, the G20 Conference, the APEC Conference, the World Expo and the Summer Olympics.

In 2017, 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. The Company won the bids for 143 new PPP projects and the total investment amount was RMB272.403 billion. In terms of industry distribution, the PPP projects mainly included road, industrial park and its infrastructure construction, integrated pipeline corridor, shanty town transformation and public housing, public construction and ecological construction projects.

In 2017, the Company presented many bright spots in the non-steel overseas market, including: a framework cooperation agreement in relation to projects such as ports and industrial parks in Cambodia was signed by the Company under the testimony of Premier Li Keqiang and Samdech Hun Sen, Prime Minister of Cambodia in December 2017. The General Contracting Project of a Business Complex consisting of 8 CONLAY Kempinski Hotel and Serviced Apartments in Kuala Lumpur (吉隆坡8 CONLAY凱賓斯基酒店及服務式公寓商業綜合體總承包項目) entered into by the Company was the first overseas project of sky-scrappers with over 300 metres successfully secured by the Company, which represented that the Company reached a new level of overseas engineering. In addition, the Company also obtained a total of 12 projects with value more than US\$200 million, including the Kuwait Healthcare Hospital Project (科威特醫保醫院項目) and the Hongfu New City Comprehensive Development Project in St. Petersburg, Russia (俄羅斯聖彼得堡宏福新城綜合開發項目).

(2) *Emerging Industries*

In 2017, the Company has made great efforts in “emerging Industries” to increase its competitiveness in the emerging markets through resources integration, technology advancements and transformation in marketing ideology. It has made major breakthroughs in emerging industries such as urban integrated subterranean pipeline corridor, special engineering, sponge city, beautiful countryside and smart city, health care, and water environment management. The Company, relying on professional technical advantages of each professional technical research institute under the Company, seized the market opportunities, and provided entire industrial chain, all-round comprehensive services to our customers.

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 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. In May 2017, the Company successfully held the 2017 Promotion Conference for Application of New Technology in Chinese Urban Integrated Steel Pipeline Corridor in Hengshui, Hebei and released the assembled corrugated steel pipeline corridor, a new product first invented in the PRC, and the local technical standards, which has greatly enriched the application of new materials in the integrated pipeline corridor, resolved the problem of overcapacity of steel and increased the application of steel structure products in construction and the standard of urban construction. During the reporting period, the Company won the bids for a total of 42 integrated pipeline corridor projects with a mileage of 417.4 km and total investment amounted to RMB45,250 million.

(II) Property Development Business

In 2017, weighted by the policy restrictions on “deinventory” and the “home buying restrictions and credit tightening”, the Company adopted different policies that were tailored to characteristics of each category and of each city during the reporting period, MCC Real Estate, a subsidiary of the Company, carried on accomplishing the strategic layout that Yangtze River Delta, Pearl River Delta and the Beijing-Tianjin-Hebei Region as core development areas with coverage nationwide by speeding up works on reserving quality land parcels in key areas. It acquired seven land parcels with construction area of approximately 1.40 million sq.m. through public auction and four land parcels through transfer of equity interests with aggregate designed construction area of approximately 0.85 million sq.m. MCC Real Estate recorded a ranking of 42th, which improved by six places among 2017 China Top 100 Real Estate Developers, boasting the greatest ranking improvement in the chart over the past two years.

During the reporting period, the amount invested by the Company in property development was RMB21.267 billion, representing a year-on-year increase of 50.3%, with construction area of 10.7431 million sq.m., representing a year-on-year decrease of 7.1%; among which, new construction area accounted for 1.8993 million sq.m., representing a year-on-year decrease of 24.8%; completed area accounted for 1.8494 million sq.m., representing a year-on-year decrease of 25.8%; contract sales area accounted for 1.4156 million sq.m. with contracted sales amount of RMB23.187 billion.

The overall operating results of the property development business in 2017*Unit: RMB'000*

	2017	% of the total	2016	Year-on-year growth
Segment turnover	24,914,457	9.99%	22,506,446	10.70%
Gross margin (%)	24.83	–	27.24	Decreased by 2.41 percentage points

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

(III) Equipment Manufacture Business

The business of the Company's equipment manufacture segment mainly includes research and development, design, manufacturing, sales, 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.

In 2017, due to the over-capacity of domestic steel and iron industry, the downturn in the metallurgical equipment market and other factors, the overall profitability of the equipment manufacture segment of the Company was relatively weak. Moving forward, the Company will gradually divest from underperforming low-tech businesses with uncertain prospect for its equipment manufacture segment and strengthen its process in the reorganization of the existing equipment manufacturing drivers that provides support to the core technology which would likely have a more favorable prospect.

The Company will further reinforce control measures, continue to better allocate its steel structure business and assets and make all efforts in developing its capacity advantage of steel structure manufacturing business. The Company has been making breakthroughs in regional integration by kicking off pilot integration programs for regional resources of steel structures in developed regions and has been reinforcing its strengths within the integrated industry chain covering research and development, design, manufacturing, installation, testing and maintenance of the steel structures of the Company.

The overall operating results of the equipment manufacture business in 2017

Unit: RMB'000

	2017	% of the total	2016	Year-on-year growth
Segment turnover	6,254,959	2.51%	5,112,103	22.36%
Gross margin (%)	9.15	–	10.83	Decreased by 1.68 percentage points

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

(IV) Resource Development Business

During the reporting period, the business of the Company's resource development mainly focuses on mining, selection and refining of metal resources of nickel, copper, lead, zinc and other metals. In line with "refining management, enhancing quality, reducing costs, controlling risks and making profits", the Company strived to improve the development and operating services of its own mineral resources.

The overall operating results of the resource development business in 2017

Unit: RMB'000

	2017	% of the total	2016	Year-on-year growth
Segment turnover	5,664,790	2.27%	3,789,153	49.50%
Gross margin (%)	28.59	–	11.53	Increased by 17.06 percentage points

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

In 2017, details of resource projects in hand 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 the year was 108%, with maximum ratio in a single month reaching 114%. The unit cost of production indicators continued to decline, and the recycle rate of nickel and cobalt was further improved, which proved the obvious enhancement of the profitability of the project.

During the reporting period, the production of nickel and cobalt contained in Ni-Co hydroxide of the project were 34,664 tonnes and 3,307 tonnes, representing year-on-year increases of 55.91% and 51.21%, respectively. Revenue from sales amounted to RMB2,613.06 million.

2. *Pakistan Duddar Lead-Zinc Mine Project*

Duddar Lead-Zinc Mine Project strived to push forward refined management and on-site standardization, optimized mining design and construction and production layout, resulting in the advancement of related renovation and additional projects of the lower system in an orderly manner according to the plan and the gradual increase in the production of products of the upper system. On 20 December 2017, the vertical mine restoration project, with a construction period of one year, was completed under inspection and acceptance and had trial run conducted two months in advance.

In 2017, the production of zinc concentrate ore and lead concentrate ore of Duddar Lead-Zinc Mine Project were 38,913 tonnes and 5,079 tonnes, representing year-on-year increases of 152.63% and 154.71%, respectively. Revenue from sales amounted to RMB308.0220 million.

3. *Pakistan Saindak Copper-Gold Mine Project*

During the reporting period, this project completed the overburden removal of north ore amounting to 9.20 million tonnes in advance, and entered into the Leasing Contract of Pakistan Saindak Copper-Gold Mine Project with Pakistan Saindak Metal Co., Ltd., pursuant to which Saindak Project will enter the third lease term.

In 2017, the production of crude copper of the project was 10,052 tonnes, representing a year-on-year decrease of 28.89%. Revenue from sales amounted to RMB699.8376 million.

4. *Afghanistan Aynak Copper Mine Project*

This project is at still the stage of negotiating amendments on the mining contract. Currently, it is pending feedback from the Afghanistan Mining and Oil Department on the detailed topics on the amendments to the mining contract submitted by the Company.

5. *Argentina Sierra Grande Iron Ore Mine Project*

In 2017, the sales of iron concentrate ore inventories of the project amounted to 41,424 tonnes, representing a year-on-year decrease of 78.20%. Revenue from sales amounted to RMB26.7661 million.

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

In 2017, 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), Articles of Association, Rules of Procedures for General Meetings, Rules of Procedures 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 team, discussing important issues and controlling risks", the Company performed the review procedure for the matters that shall be examined and approved by Board of Directors pursuant to the laws and regulations to ensure the decision of 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 2017, the Company held seven Board meetings in total, including six meetings held by on-site meeting and one meeting held via communications. The Board considered 70 proposals and heard reports in aggregate and passed 53 resolutions.

All special committees held nine meetings in total, at which 36 issues were discussed. In particular, the Strategy Committee held one meeting, at which one issue was considered and discussed; the Finance and Audit Committee held five meetings, at which 32 issues were considered and discussed; the Nomination Committee held one meeting, at which one issue was studied and discussed; and the Remuneration and Appraisal Committee held two meetings, at which two issues were studied and discussed.

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

In 2017, the Board earnestly performed all the resolutions passed at Shareholders' general meetings in strict accordance with the resolutions passed at and authorization 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 "deciding strategies, managing teams, discussing material 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.

Firstly, the Board captured the opportunities arising from the favorable economic situation to effectively improve the asset quality of the Company. It continued to devote its efforts to paying off and reducing the “accounts receivable and inventories” through a wide selection of initiatives, such as quantified management by way of classification, dynamic tracking and supervision, as well as strengthening the accountability mechanism. Through decreasing inventory and increasing effectiveness, the Board guarded against operating risks, return risks, impairment risks and bad debt risks, and, in turn, improved asset quality and ensured the healthy development of the Company.

Secondly, with favorable investment projects and appropriate business models in place, the Board stimulated the stable growth of revenue through carrying out investment projects in order to realize the long-term prosperity and stabilization of the Company.

Thirdly, the Board strengthened investment management and control to cautiously prevent investment risks. For the purpose of strengthening the management and control over the real estate development business, the Board strived to improve the project management standard of real estate development business while putting more efforts in market expansion. High attention has been paid to the investment risks on PPP projects. In prevention of investment risks, the Board analyzed, judged and prevented the risks in advance, strictly controlled decision-making on investment and supervised project approval.

Fourthly, the Board proactively expanded the development of the metallurgical market. Through active exploration of a green, energy-saving, environment-friendly and high-end development path, the Board kept on seeking for and expanding the room for development of the metallurgical market. In terms of metallurgical construction, by focusing on green iron and steel construction, environmentally friendly construction, quality improvement and transformation and innovative development, as well as enhancing the development quality of the iron and steel industry of the PRC, the Board highly engaged in the operation of iron and steel enterprises, and effectively built up a national team for operating services of metallurgical construction.

Fifthly, the Board attached great importance to leadership building, which required the management to improve team spirit and morale, turn opportunities to achievements, and communicate more frequently with specialists and scholars on the development strategy of the Company in order to attain enlightenment and stimulate inspiration.

(IV) Information disclosure and investor relations management

In 2017, 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 Shanghai Stock Exchange 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. In the meantime, the Company proactively maintained satisfactory relationship with investors, 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 2017, the Company was rated Class A (the top class) Listed Company for SSE Information Disclosure. In the same year, the Company was awarded the “Best Board Secretary” of Golden Bauhinia Awards, and “Top 100 Outstanding Entrepreneurs in China”, “Top 100 Best Board Secretary in China” and “Top 100 Ethical Companies in China” by Forum of Top 100 Listed Companies in China.

1. On the basis of compliance disclosure, the Company constantly enhanced the validity of the information disclosed. In 2017, 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 stepped forward to initiate the communication with its investors and continuously innovated the communication method. The Company organized communication sessions on 2016 annual results and 2017 interim results in Beijing and Hong Kong, respectively, so as to strengthen 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. Throughout the year, the Company received a total of nearly 40 study visits of investor groups at home and abroad, and engaged in detailed communication with more than 300 investors from nearly 100 institutions in the secondary market via roadshow, visit, telephone meeting and other methods of communication. The Company convened a briefing session on cash dividends distribution via the Internet, enabling investors to gain comprehensive and deeper understanding in the specific details on the cash dividends distribution of the Company for 2016. 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.
3. Upon identifying the market focus in a timely manner via market communication, the Company provided publicly-available feedback to the market via voluntary information disclosure. The Company provided additional disclosure on its emerging businesses, PPP projects, scientific achievements and industry operation information in its regular reports. In addition, the Company insisted on the monthly disclosure on the briefing of its newly signed contracts by publishing temporary announcements,

in order to provide investors with sufficient channels to understand the development on market expansion of the Company, which further improved the transparency of information disclosure of the Company.

III. OUTLOOK FOR 2018

Setting sail for greater achievement in a new era. In 2018, MCC will comprehensively implement the spirit of the 19th National Party Congress and adhere to the guidance of Socialism with Chinese Characteristics for a new era proposed by President Xi Jinping, and take on its mission and continue its journey. Under the guidance of the development vision of “focusing on the core business in building a better MCC”, and according 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”, MCC will develop a new style and enthusiasm to further consolidate the foundation for business promotion, creating an even stronger power of excellence and more vibrant momentum.

People will become invincible with all strength gathered, and will succeed in everything with all wisdom provided. Diligent as it is, with the spirit of reform and innovation, MCC will speed up its pace to realize quality development, and uphold the vision of ascending to the world’s top end and promoting development of the whole metallurgical industry, thus realizing advancement of core technologies to remain at the top of the market. MCC will push ahead with optimization by industry chain consolidation advantages, so as to retain its irreplaceable role in the industry. With its continuously improved innovation capability, MCC will promote expansion at home and abroad to boost re-creation and accelerate construction of the world’s top one “national team” for metallurgical construction and operation services, therefore shouldering the national responsibility of leading itself to higher end and to the center of the world stage. Being the main force with a strong will, MCC will stick to the market development principle of “herding sheep on lands with lush grass and casting a net in pools with fish”, and take advanced and vibrant regions and countries along “the Belt and Road” as its main battlefield, thus strengthening its profitability and market competitiveness, and assuming its corporate responsibility in advancing new urbanization. Ambitious as it is, MCC will give full play to its advantage and invest heavily in emerging industries to build a stable and high-quality brand portfolio in utility tunnel, large theme park construction, sponge city, smart city, beautiful countryside, environment and new energy, and senior life and healthcare, thus becoming a leader in high-end markets with premium products and advanced technologies, and assuming its corporate responsibility in building beautiful and healthy China and improving people’s life.

In the upcoming year, MCC, with its high spirits and confidence, will practise its motto “make progress every day, and do not slacken the pace”, do its utmost to open new doors, and create better operating results and greater value for Shareholders and investors.

The Board of Metallurgical Corporation of China Ltd.*

* For identification purposes only

**WORK REPORT OF THE SUPERVISORY COMMITTEE OF
METALLURGICAL CORPORATION OF CHINA LTD.* FOR 2017**

In 2017, the Supervisory Committee of Metallurgical Corporation of China Ltd.* (the “MCC” or the “Company”), in accordance with the relevant provision of the “Company Law”, “Securities Law” and other laws and regulations, and the Articles of Association of Metallurgical Corporation of China Ltd. and based on the attitude of being responsible for 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 interests of the Shareholders, the details of which are set out below:

1. COMPOSITION OF THE SUPERVISORY COMMITTEE

The second session of the Supervisory Committee comprises three Supervisors, namely Mr. Yan Aizhong, the Supervisor, Mr. Peng Haiqing, the Supervisor, and Mr. Shao Bo, the employee representative Supervisor.

2. WORK OF THE SUPERVISORY COMMITTEE

In 2017, the Supervisory Committee convened four meetings in total, considered 16 proposals and listened to three reports. All Supervisors have attended the meetings in person. Matters considered at the meetings were mainly focusing on final financial accounts for the year and profit distribution, periodic reports, internal control and risk management inspection reports, internal control and self-evaluation reports, special reports on the deposit and the actual utilization of the raised proceeds, etc.

During the reporting period, the Supervisory Committee discharged its powers and duties with the utmost conscientiousness, vigorously safeguarded the interests of the Shareholders and the benefits of the Company, by supervising the decision-making process of material matters including the production and operation, financial management and connected transactions of the Company, which performed its duties and completed its tasks satisfactorily.

In compliance with the relevant requirements of CSRC, each of the Supervisors participated proactively in the trainings for directors and supervisors of listed companies held by the Beijing Bureau of CSRC to further widen their insights as Supervisors and improve their capabilities in performing supervisory duties.

3. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON MATERIAL MATTERS

The Supervisory Committee supervised the lawful operations of the Company by participating in the Shareholders' general meetings and the Board meetings. The Supervisory Committee is of the view that the meeting and voting procedures of the Shareholders' general meetings and the Board meetings comply with the laws and regulations, such as the "Company Law", "Securities Law", and the Articles of Association; the Directors and other senior management had no behaviour or action violating the laws and regulations, the Articles of Association or prejudicing the interests of the Company or the Shareholders has been found while performing their duties for the Company.

The Supervisory Committee has strengthened its supervision over the financial work of the Company through analysis of the monthly financial report of the Company, listening to the work report from the financial department and inspection and analysis in respect of the financial management, budget execution and final financial account of some subsidiaries of the Company. The Supervisory Committee is of the view that the financial system of the Company is sound and complies with the "Accounting Law" and relevant accounting rules and systems.

The Supervisory Committee conducted supervision over the Company's utilization of the proceeds raised from its offering. It is of the view that the Company is able to regulate the utilization and management of the proceeds raised from the offering in accordance with the laws, regulations and regulatory requirements. There were no circumstances where the utilization of the proceeds raised from its offering violates or harms the interests of the Shareholders.

The Supervisory Committee has carried out an inspection over the periodic financial report and profit distribution plan of the Company, and also carried out supervision over internal control, list of related parties/connected persons and management and utilization of the proceeds. The Supervisory Committee paid great attention to the Company's profitability, assets quality and operation capability, debt risks and solvency, and paid continuous attention to the progress of clearing "Account Receivables and Inventories" to prevent volatility of each financial indicator. The Supervisory Committee has no objections to the relevant measures and ways taken by the Board and the management of the Company.

The Supervisory Committee of Metallurgical Corporation of China Ltd.*

* *For identification purposes only*

NOTICE OF THE 2017 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 2017 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2017 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 Tuesday, 26 June 2018 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 2017”.
2. To consider and approve the proposal in relation to the “Work Report of the Supervisory Committee of MCC for the Year 2017”.
3. To consider and approve the proposal in relation to the final accounts report of the Company for the year 2017 (as set out in the 2017 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 2017.
5. To consider and approve the proposal in relation to the emoluments of Directors and Supervisors of the Company for the year 2017.
6. To consider and approve the proposal in relation to the plan of guarantees to be provided by the Company for the year 2018.
7. To consider and approve the proposal in relation to the appointment of auditors and internal control auditor of the Company for the year 2018.

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

8. To consider and approve the proposal in relation to the grant of general mandate to the Board of Directors to issue shares.
9. To consider and approve the proposal in relation to the amendment to the Articles of Association.
10. To consider and approve the proposal in relation to the amendment to the Rules of Procedures for Board Meetings.

BRIEFING

11. To receive the 2017 performance report by the independent non-executive Directors.

By order of the Board
Metallurgical Corporation of China Ltd.*
Li Yuzhuo
Joint Company Secretary

Beijing, the PRC

11 May 2018

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 Sunday, 27 May 2018 to Tuesday, 26 June 2018, 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 Friday, 25 May 2018.
- (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 its common seal 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).

* *For identification purposes only*

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

- (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.
- (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 Wednesday, 6 June 2018 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; two non-executive Directors: Mr. Jing Tianliang and Mr. Lin Jinzhen; and three independent non-executive Directors: Mr. Yu Hailong, Mr. Ren Xudong and Mr. Chan Ka Keung, Peter.