中國冶金科工股份有限公司
METALLURGICAL CORPORATION OF CHINA LTD.

2013
中期業績溝通會
Interim Results Announcement

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- The currency set out in the presentation is Renminbi without being specified.
- Reporting Period: 1 January to 30 June 2013.

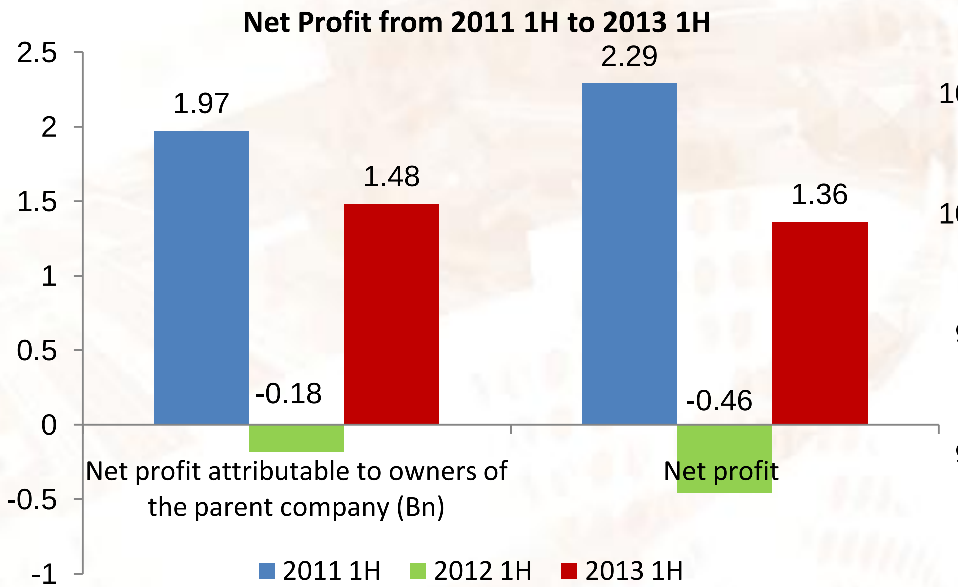
Contents

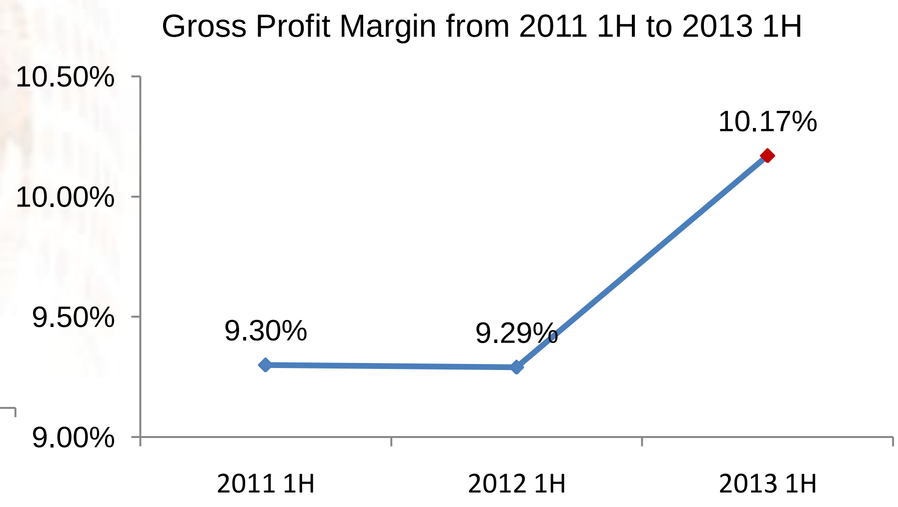
I. Overall Operations for 2013 1H

1. A Notable Improvement in Profit with Burdens Unloaded and Odds Being Turned into Opportunities

Following the Company's disposal of loss-making business and provisions for impairment in late 2012, the Company's profit improved significantly.

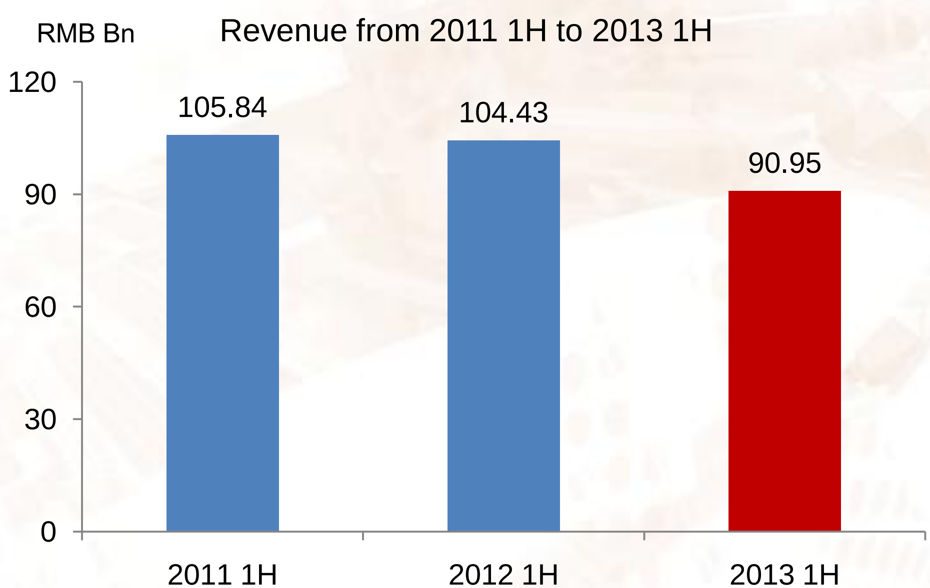
In the first half of 2013, the Company turned losses into profits and recorded a net profit of RMB1,360 million (including discontinuing operations), representing an increase of RMB1,820 million year on year. Net profit attributable to the Parent amounted to RMB1,480 million, representing a year-on-year increase of RMB1,660 million. Gross profit margin increased by 0.9 percentage point year on year to 10.17%.





2. Focused on Traditional Businesses and Revenue from Engineering and Construction and Property Development increased Proportionally

In the first half of 2013, the revenue of the Company amounted to RMB90,950 million, representing a decrease of RMB13,480 million, down 12.91%. The Company set its vision for development, by “focusing on MCC’s principal businesses for a better future”. With this in mind, it focused on improving the performance of its traditional businesses, which proved remarkably successful. Income from engineering and construction and property development amounted to RMB84,890 million, accounting for 92.2% of the revenue and representing an increase of 1.8 percentage point year on year.



Revenue Breakdown for 2013 1H

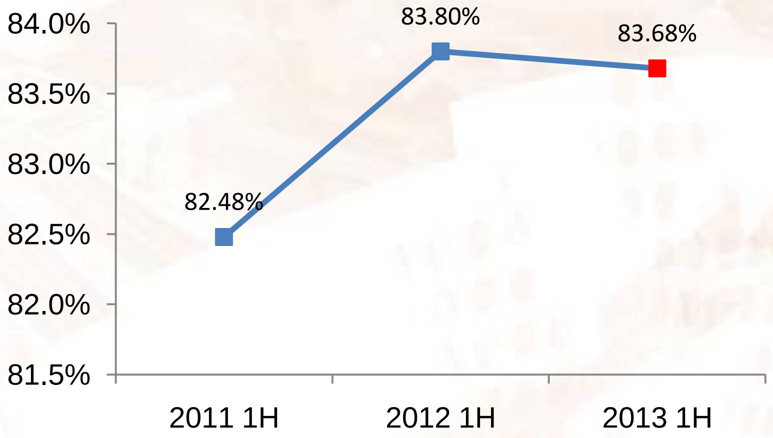
Name of segment	Revenue (RMB Bn)	Proportion in revenue (%)	Year-on-year increase/decrease (percentage point)
Engineering and construction	75.5	82.0	-1.6
Property development	9.39	10.2	3.4
Equipment manufacturing	4.51	4.9	-0.8
Resources development	1.36	1.5	0.2
Others	1.35	1.4	-1.2
Total (before elimination)	92.11	100%	—

3. Had a Firm Grip on the Settlement of Construction and Collection of Outstanding Receivables, Deployed Inventory Assets, Resulting in An Improvement in Assets and Liabilities

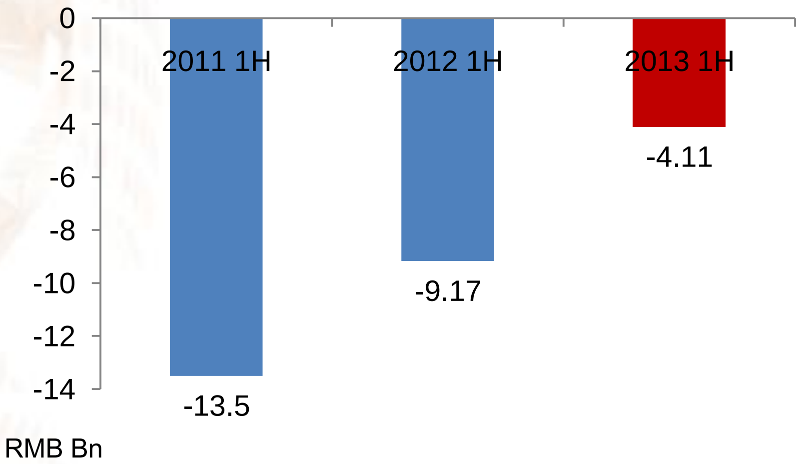
MCC firmly ensured the settlement of construction and collection of outstanding receivables, and continued to deploy its inventory assets, thus improved its portfolio of assets and liabilities.

As at the end of June 2013, the assets-liabilities ratio of the Company was 83.68%, down 0.12 percentage point as compared with the beginning of the year, which marked the first fall in the ratio for the past 4 years. Affected by the characteristics of the business cycle of a construction enterprise, the net cash flow from operating activities remained RMB (4,110) million, yet there was a decrease in outflow of RMB5,060 million year on year.

Assets-Liabilities Ratio
from 2011 1H to 2013 1H



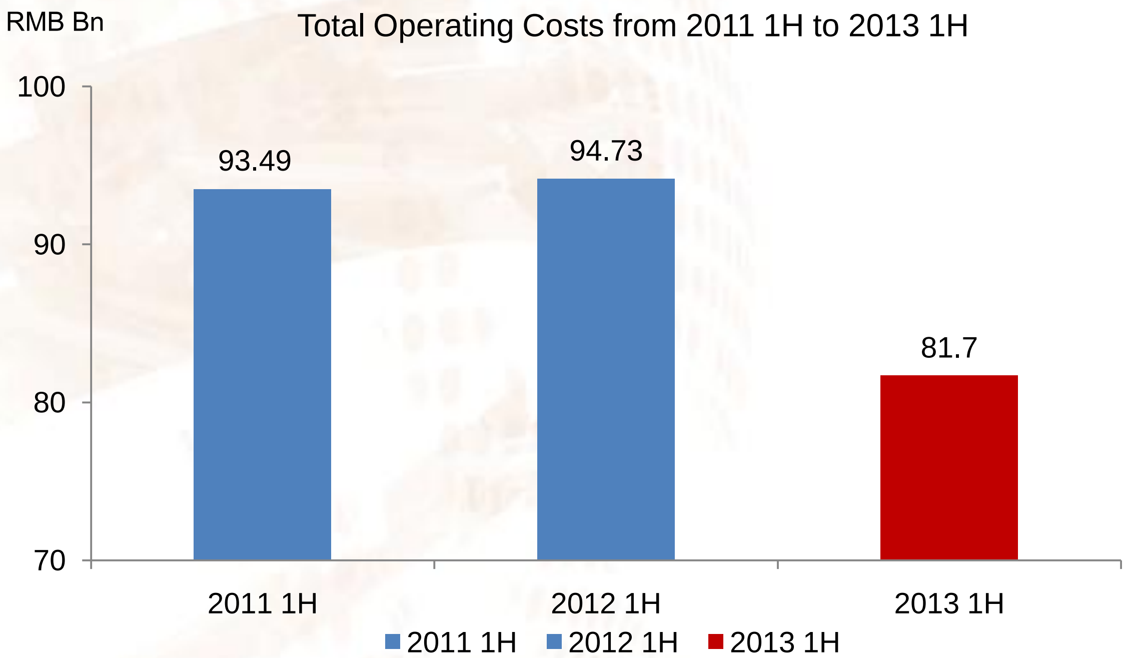
Net cash flow from operating activities
from 2011 1H to 2013 1H



4. Basis Management was Strengthened and the Standard of Lean Management Continued to Improve

Leveraging the enhancement of management, MCC continued to strengthen its basis management, resulting in a continuous improvement in its lean management.

In the first half of 2013, the operating cost amounted to RMB81,700 million, representing a decrease of RMB13,030 million, representing a decrease of 13.8%, which was 0.9 percentage point higher than the decrease in revenue.



5. Promoted Reformative and In-depth Development, Which Vitalized its Structure and Mechanism

In order to achieve a sustainable development, the Company has vitalized its structure and mechanism since the first half of 2013.

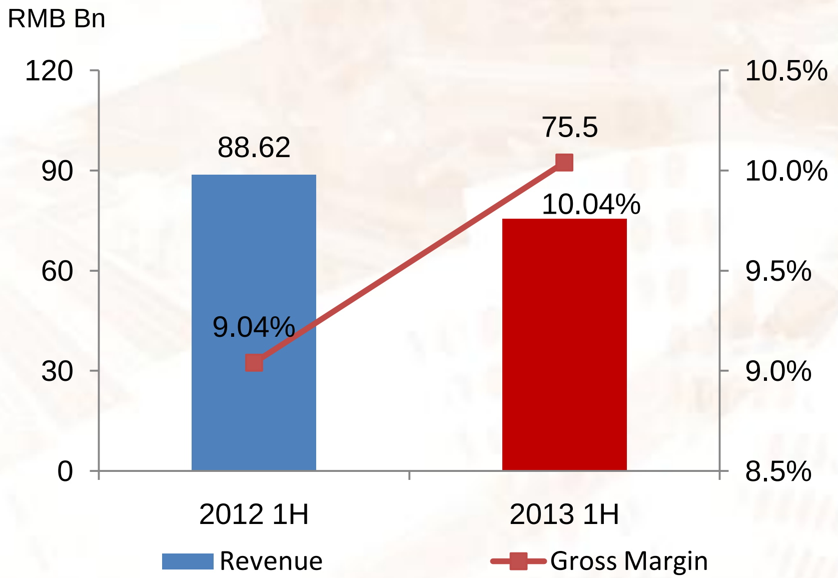
- **Fostered the integration of overseas business**
- **Promoted the integration of regional resources**
- **Strengthened the coordination of the internal market of the enterprise**
- **Continued to strengthen the preparation for emerging markets**
- **Fostered centralized procurement**
- **Actively conducted innovative management**

II. Operations of the Principal Businesses for 2013 1H

1. With a Focus on Traditional Businesses, MCC Outperformed in Its Engineering and Construction Business as well as Property Development Business

The Company further insisted in operating its engineering and construction business and property development business with high efficiency and with great benefits, in a bid to pursue excellence. The Company emphasized the increase of benefits within its capability and on a reasonable scale.

2012 1H vs. 2013 1H
Revenue and Gross Profit Margin of E&C Segment



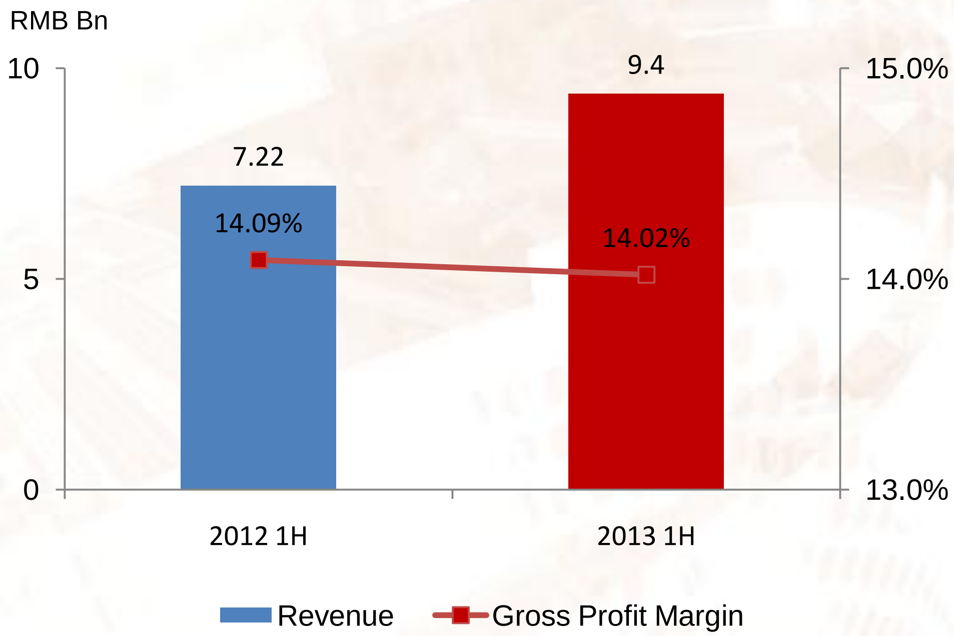
In the first half of 2013, the revenue from the engineering segment amounted to RMB75.5 billion, representing a year-on-year decrease of RMB13.12 billion and a decrease of 14.8%. Such decrease in revenue was mainly attributable to the contracted metallurgical market and the Company's strict control of its undertakings of new BOT projects.

In the first half of 2013, the gross profit margin of the engineering segment of the Company was 10.04%, representing a year-on-year increase of 1.00 percentage point.

1. With a Focus on Traditional Businesses, MCC Outperformed in Its Engineering and Construction Business as well as Property Development Business (continued)

MCC focused on developing commercial residential projects. It controlled the pace of development and averted relevant risks, thus achieved a steady development.

2012 1H vs. 2013 1H Revenue and Gross Profit Margin of Property Development Segment



In the first half of 2013, revenue from the property development segment was RMB9.4 billion, representing a year-on-year increase of RMB2.18 billion and an increase of 29.9%. Such increase was mainly attributable to the fact that that sales of preliminary projects. The gross profit margin was 14.02%, representing a year-on-year decrease of 0.07 percentage point.

1. With a Focus on Traditional Businesses, MCC Outperformed in Its Engineering and Construction Business as well as Property Development Business (continued)

Advancement in the progress of major projects and strict control on risks.

Western Australia SINO Ore Project

First Line

MCC WA has completed the loaded linkage commissioning of the first line in mid-November 2012 and transferred the first line to the proprietor gradually since mid-January 2013 for trial production. The production was stopped on 20 May for examination and maintenance and resumed in late July. CITIC, the proprietor, indicated that production is currently smooth and most of the problems previously occurred were solved.

Second Line

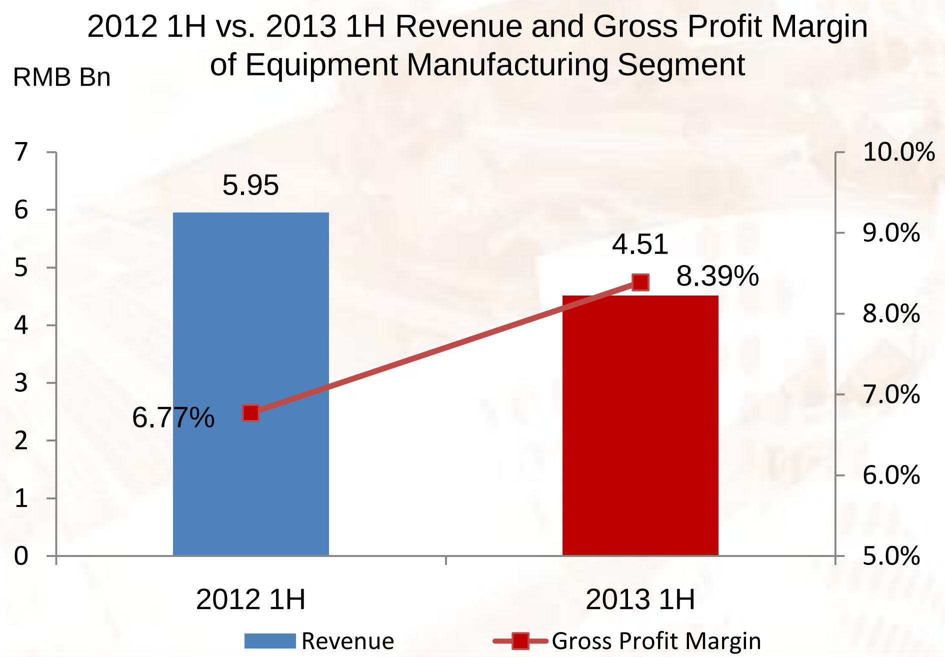
The loaded linkage commissioning of the second main process production line did not take place as scheduled as the automatic grinding cyclo electric motor in the second line failed to pass the voltage test continuously. The automatic grinding cyclo electric motor in the second line was specifically designed by producer Siemens. Every process ranging from installation to testing of the automatic grinding cyclo electric motor was approved by Siemens and subject to its guidance and supervision on site. On 15 August, the automatic grinding cyclo electric motor in the second line passed the voltage test under the testing voltage of 8.4KV as proposed by the advice of Siemens and acknowledged by the owner. Thus far, all parties have been pushing forward all tasks relating to the loaded linkage commissioning of the second main process production line with the best endeavors.

Nanjing Xiaguan Project

In July 2013, The Bureau of Land Resources Nanjing (南京市国土资源局) terminated the land transfer procedures of Land No. 2. Through the communication with The Bureau of Land Resources Nanjing, the bidding deposit of Land No. 2 amounting to RMB1,130 million and the corresponding financial expenses had been settled on 12 July 2013. The termination of the land transfer procedures of Land No. 2 and hindered relocations on Land No. 1 and No. 3 significantly affected the specific implementation relating to the adjusted detailed control plan of Binjiang Project at Xiaguan District of Nanjing as well as the development of Land No. 1 and No. 3. MCC Real Estate and the Control Department of Development and Renovation of Binjiang, Xiaguan District of Nanjing (南京市下关区滨江开发改造指挥部) has reached a consensus, pursuant to which the conditions for the development of each of the land parcels will be optimized so as to ensure a breakeven. Currently, the Company and MCC Real Estate are actively communicating with relevant departments in Nanjing city and have proceeded with relevant tasks based on consensus.

2. Steady Development on Equipment Manufacturing Business with the Advantage on Principal Businesses

Leveraging the advantages over EPC business, its principal business, MCC developed manufacturing projects where core technology is applied for production, and strengthened the consolidated governance of projects which incurred modest profit or losses in its existing equipment manufacturing business.

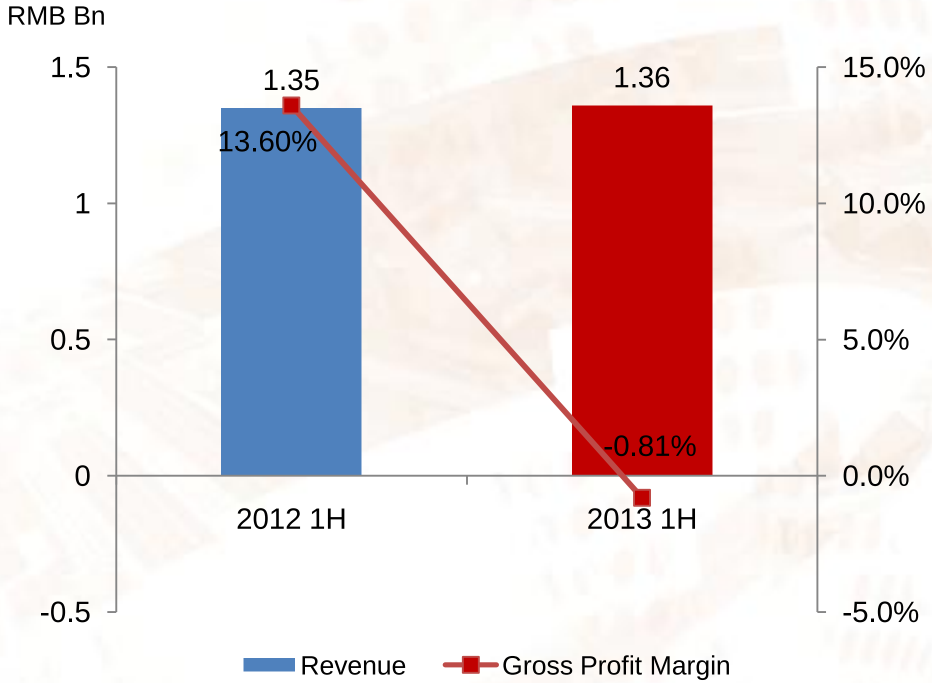


In 1H 2013, the revenue of equipment manufacturing business amounted to RMB4.51 billion, representing a decrease of RMB1.44 billion or 24.27% year on year, which is mainly due to the disposal of manufacturing projects with low profit margin, suspension and reduction of production of individual projects incurring losses. Gross profit margin was 8.39%, representing a year-on-year increase1.62%.

3. Categorised Management for Resources Projects in hand for the Prevention of Risks from Overseas Projects

Based on the principle “distinguish arrangement and categorised implementation for key promoting projects, postponed projects and assets disposal projects”, the Company gave classification and guidance to the existing overseas resources projects.

2012 1H vs. 2013 1H Revenue and Gross Profit Margin of Resources Development Segment



In 2013 1H, revenue of resources development business amounted to RMB1.36 billion, representing a increase of RMB10 million or 0.7% year on year. Gross profit margin was -0.81%, representing an decrease of 14.41%, which was mainly due to the loss of Ramu Nico project of MCC MJJJ.

3. Categorised Management for Resources Projects in hand for the Prevention of Risks from Overseas Projects (continued)

Based on the principle "distinguish arrangement and categorized implementation for key promoting projects, postponed projects and assets disposal projects", the Company gave classification and guidance to the existing overseas resources projects.

Progress on key resources projects

1. Ramu Project: In the first half of 2013, as the project, at its preliminary stage of production, was affected by factors such as immature production techniques and unsystematic production, thus resulting in a relatively low output, with 12,529 tons of nickel and cobalt hydroxide products, 4,822 tons of nickel, 404 tons of cobalt and 19,356 tons of chromium concentrates, representing only approximately 30% of the total capacity. The revenue and net loss for 2013 1H amounted to RMB420 million and RMB804 million respectively.

2. Aynak Project: Considering many problems in relation to economy, safety and other aspects involved in this project, the Company formulated the principle of "protecting the mining rights and controlling the investment" and based on the provision in the mining contract signed by both sides, took proactive steps in liaising with the Afghanistan government and negotiated on the amendments to the mining contracts as for the contract scope, product solution, economy of the project, security measures and conditions for starting the construction. As at the end of the Reporting Period, the negotiation was still ongoing.

3. Saindak Copper-Gold Mine Project: In the first half of 2013, the mining and processing of Saindak Copper-Gold Mine were under smooth progress, however, the reverberatory furnace in the smelting plant did not complete the overhaul and resume the production of blister copper until the middle of May.

4. Duddar Lead-Zinc Project: In 2013 1H, major activities of the project were still keeping its present condition, +100M mid-section exploration and partial technical upgrade.

5.Cape Lambert Iron Project: In 2013 1H, the Company continued to introduce strategic investors apart from daily activities such as mining. Meanwhile, number of staff was reduced according to the major activities.

6. Sierra Grande Iron Ore Project: As at the present, most of the systems of the project have basically resumed and engaging in production. The production capacity of the project is raw ores 1 million tons/year and iron ore concentrates 0.48 million tons/year. However, original designed production capacity was not yet reached.

III. Outlook

Focus to Principal Businesses of MCC for a Better Future

Focus on principal businesses	Building on scale and strength	Moderate Diversification	Sound Development

After dealing with the issues over the last several years and adjusting its development philosophies, the Company reinforced internal reform and is getting rid of difficulties. It accomplished recovery and growth.

In 2013 2H, the Company will focus on market exploration, risk control, management enhancement a nd further reform. It will also continue to enhance its management standard and profitability.

Market Exploration	Risk Control	Management Enhancement	Further Reform
Further leveraging on traditional bra nd of the principal businesses of M CC and technological advantages, c onsolidating its status as the largest metallurgical project contractor, met allurgical operator and service provi der. Capturing the opportunities fro m new urbanisation for accelerating deployment in emerging markets an d undertaking high-end, large and s ymbolizing urban projects. Focusing on the exploration in key markets so as to acquire large customers, proje cts and markets.	Strict criteria on investment decision for enhancing quality of investments. Strict control on contract risks for improvement on operating efficiency. Reinforcing clearance on inventory and receivables with an aim to speed up cash inflow. Streamlining system of internal control and further improving mechanism of internal control.	Reinforcing centralised material procurement and management on sub-contracting, so as to fix defects in management and accomplish reduction in cost and growth in efficiency. Consolidating internal resources and streamlining internal management procedures. Solid promotion on meticulous management for enhancing the capability of creating corporate value.	Starting with the reform of three systems for accomplishing transformation on management system, operation mechanism, business model and industrial strategies. Endeavouring to foster a listed company with clear division of businesses and satisfactory economic benefits.

Q & A

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