

中國冶金科工股份有限公司

METALLURGICAL CORPORATION OF CHINA LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 1618

2024

Annual Report

* For identification purpose only

IMPORTANT NOTICE

- I. The Board and the Supervisory Committee of the Company and its Directors, Supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in the information set out in this annual report, and they severally and jointly accept legal liability for the truthfulness, accuracy and completeness of its contents.
- II. The report was deliberated and approved at the 70th meeting of the third session of the Board on 28 March 2025. 6 out of 7 eligible Directors attended the meeting. Yan Aizhong, a Director, did not attend the meeting due to other business engagements and authorized Bai Xiaohu, a Director, in writing to attend the meeting and exercise the voting right on his behalf upon consideration of the meeting material.

Position of the absent Director	Name of the absent Director	Reason for the absence of the Director	Name of the appointee
Director	Yan Aizhong	Due to other business engagements	Bai Xiaohu

- III. Ernst & Young Hua Ming LLP issued an audit report with standard unqualified opinions to the Company.
- IV. Chen Jianguang, the Chairman of the Company, Bai Xiaohu, the Executive Director, vice president, finance director (acting), and Li Yifeng, the Head of Accounting Department have declared that they warrant the truthfulness, accuracy and completeness of the financial report contained in this annual report.
- V. The proposal for profit distribution or transfer of capital reserve to share capital for the Reporting Period was considered and approved by the Board

The net profit attributable to Shareholders of the Company in the audited consolidated statement of MCC in 2024 amounted to RMB6,745.95 million. Based on the total share capital of 20,723,619,170 shares, the Company proposed to distribute a cash dividend of RMB0.56 (tax inclusive) for every 10 shares and the total cash dividend is RMB1,160.52 million. The total cash dividend proposed by the plan accounts for 17.20% of the net profit attributable to Shareholders of the Company in the consolidated statement of MCC in 2024.

- VI. Statement for the risks involved in the forward-looking statements

The forward-looking statements contained in this report regarding the Company's future plans and others do not constitute any substantive commitment to investors and investors are advised to pay attention to investment risks.

- VII. Is there any misappropriation of non-operating funds by the Controlling Shareholder and other related parties

No

- VIII. Is there any external guarantee made in violation of the required decision-making procedures

No

- IX. Are there more than half of the Directors unable to guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the Company

No

- X. Warning of major risks

During the Reporting Period, no material risk matter existed in the Company.

The Company has described the relevant potential risks in this annual report in detail. Please refer to the section "Report of Board of Directors, Management Discussion and Analysis" of this report.

- XI. Others

Unless otherwise specified, all the amounts in this report are denominated in RMB. Any discrepancies between the amounts in this report and the amounts set out in the tables herein are due to rounding.

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CONTENTS FOR DOCUMENTS AVAILABLE FOR INSPECTION	Financial statements signed and sealed by the person-in-charge of the Company, the person-in-charge of accounting and the head of accounting firm
	The original auditor's report sealed with the corporate seal of the accounting firm and signed and sealed by the certified public accountant
	Original of all documents and announcements of the Company were publicly disclosed on China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times during the Reporting Period
	2024 annual report and 2024 annual results announcement published on the Hong Kong Stock Exchange



ABOUT THE COVER OF 2024 ANNUAL REPORT

Cover: From left to right, the design patterns on the front cover are: Yanqihu International Exhibition Center Project (雁栖湖國際會展中心項目), Pakistan Saindak Copper-Gold Mine Project (巴基斯坦山達克銅金礦項目) and Yellow River Bridge (Lanzhou Chaijiacia Section) Project (蘭州柴家峽黃河大橋項目); and

Cover back: From left to right, the design patterns on the back cover are: SZM CBD Project (珠海十字門中央商務區項目) and Zhejiang Huzhou Sun Hotel Project (浙江湖州太陽酒店項目).



DEFINITIONS

In this report, unless the context otherwise requires, the following expressions have the meanings as follows:

Definitions of frequently-used terms

"Company" or "MCC"	Metallurgical Corporation of China Ltd.*
"State Council"	the State Council of the People's Republic of China
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council
"CSRC"	the China Securities Regulatory Commission
"MIIT"	Ministry of Industry and Information Technology of the People's Republic of China
"SSE"	the Shanghai Stock Exchange
"A Share Listing Rules"	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules of the Hong Kong Stock Exchange", "H Share Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"CMGC"	China Metallurgical Group Corporation
"Controlling Shareholder" or "China Minmetals"	China Minmetals Corporation
"CMCL"	China Minmetals Corporation Limited
"MCC20"	China MCC20 Group Corp. Ltd.
"China ENFI"	China ENFI Engineering Corporation
"CISDI"	CISDI Group Co., Ltd.
"MCC Capital"	MCC Capital Engineering & Research Incorporation Limited
"MCC Coking"	ACRE Coking & Refractory Engineering Consulting Corporation, MCC
"WISDRI"	WISDRI Engineering & Research Incorporation Limited
"MCC Real Estate"	MCC Real Estate Group Co., Ltd.
"MCC Ecological Environmental Protection"	MCC Ecological Environmental Protection Group Co., Ltd.
"CRIBC"	Central Research Institute of Building and Construction Co., Ltd. MCC Group
"Sinosico"	China Silicon Corporation Ltd.
"MCC-SFRE"	MCC-SFRE Heavy Industry Equipment Co., Ltd
"CIE"	Zhongye Changtian International Engineering Co., Ltd.
"WSGRI"	WSGRI Engineering & Surveying Incorporation Limited
"general meeting(s)"	the general meeting(s) of Metallurgical Corporation of China Ltd.*
"Shareholder(s)"	holder(s) of share(s) of the Company
"Board"	the board of Directors of Metallurgical Corporation of China Ltd.*

DEFINITIONS

"Director(s)"	the director(s) of the Company, including all executive, Non-executive and Independent Non-executive Directors
"Independent Director" or "Independent Non-executive Director"	a Director who does not hold any position other than that of Director in the Company and does not have any direct or indirect interest in the Company, its major shareholders or de facto controllers, or any other Director who may influence him/her to render independent and objective judgement
"Supervisory Committee"	the supervisory committee of Metallurgical Corporation of China Ltd.*
"Supervisor(s)"	the supervisor(s) of the Company
"Articles of Association"	the articles of association of Metallurgical Corporation of China Ltd.*
"Rules of Procedures for Board Meetings"	the Rules of Procedures of Board Meetings of Metallurgical Corporation of China Ltd.*
"Reporting Period"	from 1 January 2024 to 31 December 2024
"A Share(s)"	the domestic shares with a nominal value of RMB 1.00 each in the ordinary share capital of the Company, which are listed on the SSE and traded in RMB
"H Share(s)"	the overseas listed foreign invested shares with a nominal value of RMB 1.00 each in the ordinary share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in C3 to the Hong Kong Listing Rules
"connected person(s)"	connected party/parties under A Share Listing Rules and connected person(s) under the H Share Listing Rules
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"USD"	United States dollars, the lawful currency of the United States
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules
"Goals for 'one building, two most, five strong'"	the goals established by the Company refers to creating a world-class enterprise with global competitiveness as the guiding principle; building the best full-service solution provider for metallurgical construction and operation with super core competitiveness, the most reliable general contractor in infrastructure with global reputation and domestic leading position as the target; its efforts to build a world-class investment and construction group with strong value creation, market competitiveness, innovative driving force, resource allocation and cultural soft power
"'1+M+N' regional market layout"	the Company's regional market layout focusing on "1" province where the headquarters of a subsidiary is located (including municipalities directly under the central government, the same below) + "M" key provinces + "N" cultivated provinces
"'Five-Five' strategy"	the Company's strategic goal of medium- and long-term business restructuring, namely, to further increase the proportion of metallurgy construction as its core business and featured business, aiming to reach about 50%, adjust the proportion of housing construction and municipal infrastructure business to about 50%, and stick to high-end line

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CHAIRMAN'S STATEMENT



Chen Jianguang

Chairman

CHAIRMAN'S STATEMENT

Dear Shareholders,

Time flows like the shifting stars and frost, unceasing as the passage of days and months; the seasons cycle and replace one another, while the splendor of life renews itself with each passing year. In 2024, MCC adhered to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, under the strong leadership of the Party Central Committee and with the care and support of friends from all sectors of society, and passed through a remarkable and crucial year. All MCC staffs have made tremendous efforts and delivered a report of achievements to the Party and the people, shareholders and investors with both warmth and depth. On behalf of the Company's Board of Directors, I would like to present MCC's 2024 annual report to all sectors of society and express sincere gratitude to all friends who have long supported and cared about the company's reform and development.

Looking back at 2024, we forged a loyal character through hard work and responsibility. We have always regarded the study, implementation, and realization of General Secretary Xi Jinping's important instructions and instructions as the primary political task, and have fully implemented them to achieve results. We have carried out Party discipline learning and education, promoted the central inspection and rectification, and coordinated with audits, strengthened grassroots Party building for projects, deepened comprehensive strict governance of the Party, continuously purified the political ecology, and built a work pattern of deep integration between party building and production and operation, leading high-quality development with high-quality party building. During the Reporting Period, MCC achieved a new contract value of RMB1,248.706 billion, operating income of RMB552.025 billion, and a total profit of RMB9.255 billion, of which the net profit attributable to shareholders of listed companies was RMB6.746 billion, maintaining a stable development trend for the Company in tackling difficulties and striving for success, fully demonstrating the core functions and value creation capabilities of central enterprises.

Looking back at 2024, we maintained strategic determination in the face of rapid winds and dangerous waves. Facing unprecedented internal and external pressures and challenges, MCC has keenly observed the situation, accurately analyzed risks and opportunities, precisely judged the complex and severe market situation, proactively reduced scale, adjusted structure, changed methods, and improved quality and efficiency. We have planned ahead at the very early stage for the Company's transformation and upgrading path, focused on implementing the "Five-Five" strategy of "focusing on the core, positioning the industries, and integrating resources", continuously consolidated and optimized the "One Core, Two Main Bodies and Five Features" business system, promoted the upgrading of traditional businesses such as metallurgical construction, housing construction, and infrastructure to greener and smarter levels, accelerated the development of strategic emerging industries centered on the Company's characteristic businesses, actively cultivated future industries, and provided greater space for the development of new productive forces.

Looking back at 2024, we strengthened our confidence in development through hard work and progress. We have resolutely abandoned growth methods that do not meet the requirements of high-quality development and eliminated the "two excessive dependencies". We have solidly improved our ability to take on public projects, and improved the quality of marketing to build a new pattern of domestic and international market development. In 2024, the overall scale of newly signed contracts by the Company remained stable within a reasonable range. We successfully created five domestic markets with a scale of over 100 billion and cultivated three overseas markets with a scale of over 10 billion. Among them, the newly signed contract value in the Indonesian market exceeded RMB30 billion for the first time, and the scale of overseas markets doubled in two years. We have leveraged our strengths through coordination. The Chongqing Hub Port Industrial Park project has fully utilized the advantages of MCC's chain main enterprise to gather upstream and downstream resources to drive the development of industrial clusters, and has demonstrated first-class planning and design leadership in serving the construction of the Western Land-sea Corridor. Zhengzhou Airport Economic and Technological Development Zone project showcases our core competitiveness of EPC projects through strong cooperation between design and construction. Overseas non-ferrous metal mineral resource projects, with resources as the link, have achieved efficient circulation of resources and projects. A series of coordinated projects continue to be launched and effectively highlight MCC's integrated and differentiated competitive advantages. We have created a market for on-site circulation, and have built high-quality projects with excellent quality and exquisite craftsmanship, winning a total of 32 Zhan Tianyou Awards, 149 Luban Awards, and 318 National Excellent Awards.

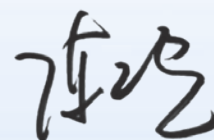
CHAIRMAN'S STATEMENT

Looking back at 2024, we promoted reform and innovation while facing challenges. We have used deepening reform as an opportunity to push forward high-quality actions to deepen and elevate reform, streamline and optimize the institutional system, improve decision-making mechanisms and processes, promote institutional “slimming and strengthening”, complete regional company integration, and strive to build a “four simple” enterprise with “simple systems, simple processes, simple relationships, and simple work styles”. We paved our road by innovation, highlighting the “five focuses”, and have been approved by the State-owned Assets Supervision and Administration Commission of the State Council as the “origin of original technology for pollution control in the metallurgical industry (冶金工業污染治理原創技術策源地)”. The world’s first high-voltage, high-power molten salt energy storage induction heating device, independently developed, has been successfully put into operation. The self-designed 5,600mm widest heavy plate rolling mill in the world and the self-developed world’s first carbon thermal reduction flue gas sulfur production pilot line have been successfully tested, and we have won three national science and technology awards. The total number of valid patents has exceeded 55,000, and we have achieved excellent results as a “science and technology reform enterprise” and a “dual hundred enterprise”. 6 enterprises have been named national champions in the manufacturing industry, and 10 “specialized, refined, and new” “little giant” enterprises have been established.

Looking back at 2024, we solidified our foundation management through preparing and accumulating energy. Starting from improving project management, we have strengthened contract management, improved the business management system, increased joint procurement and final settlement efforts, and promoted the implementation of the “Project Management Manual”. We have also released the first editions of the “Business Management System” and “Engineering Project Pre-settlement Management Measures”, ensuring that project profits are “securely stored” and “safely secured”. We have made maintaining stable cash flow our core focus, and have consistently implemented the concept of “tightening our belts” in production and operations. We have strictly controlled non-operational expenditures, fully activated assets, and achieved a net operating cash flow of RMB7.848 billion for the year. We have focused on risk management for loss-making projects and companies, implementing targeted measures to ensure that major risks are under control. We have vigorously promoted the three-year action plan to tackle the root causes of production safety and maintained a good and stable safety situation.

In 2024, the Company has continued its rank among the top ten ENR global contractors for the 16th consecutive year. It has also received an A-level evaluation for information disclosure for the 8th consecutive year and has won many prestigious awards, such as the “Tianma Award” and “Golden Bull Award”. It has also won the “Shanghai Stock Exchange Gold Quality” Corporate Governance Award and the Best Practice Case for Listed Company Boards of Directors. The credit ratings of MCC’s overseas entities have entered the A-level credit rating for the first time, and the number of AAA-rated entities has increased to 7.

Braving the wind and rain, we stride resolutely toward the light; pursuing dreams and aspirations, we achieve through relentless endeavor. In 2025, the curtain for the battle to decisively win the “14th Five-Year Plan” has been raised. Despite the severe and challenging situation facing the industry, the warm policies and industrial reforms are resonating, creating new opportunities in the midst of challenges. Under the strong leadership of the Party Central Committee with President Xi Jinping at its core, MCC will thoroughly implement the spirit of the 20th National Congress of the Communist Party of China, the 2nd and 3rd Plenary Sessions of the 20th Central Committee, and earnestly implement the deployment of the Central Economic Work Conference. We shall adhere to the principles of seeking progress while maintaining stability, staying true to our roots while promoting innovation, and solidly carry out the key tasks of “maintaining stability and promoting progress”. We will comprehensively promote the transformation and upgrade of the company, with the confidence and determination like embracing the warmth of the sun and striding forward in its light to move forward and break through against the trend, anchored by Goals for “one building, two most, five strong”. In the face of changes in the industry cycle and restructuring, we shall withstand short-term pains, embrace the wave of change, and build a solid foundation for high-quality development, creating long-term and sustainable value for our shareholders, investors, and society.



COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

MCC is a mega construction central enterprise under China Minmetals with a glorious history of more than 70 years, which can be traced back to the plant protection teams and repair departments of Ansteel and Fukuang before the liberation of Northeast China in 1948, it set up the first batch of metallurgical construction teams in New China during the restoration and construction of Ansteel, and has established its own scientific research, survey, design and construction teams by undertaking the construction tasks of nearly all large and medium iron and steel projects in China, including WISCO, Baogang Group, TISCO, Pangang Group, and Baosteel, serving as the pioneer and main force in China's iron and steel industry.

In recent years, MCC has anchored the Goals for "one building, two most, five strong", aiming to create a world-class enterprise with global competitiveness. It endeavors to be the best overall solution provider for metallurgical construction and operation with super core competitiveness and the internationally renowned and domestically leading general contracting service provider for fundamental construction, so as to become a world-class investment and construction group with strong value creativity, strong market competitiveness, strong innovation driving force, strong resource allocation, and strong cultural soft power. It ranked 5th in ENR's "Top 250 Global Contractors" in 2024.

The Company has strong strength in scientific research and development. As a national innovative enterprise, it has 28 national-level scientific research and development platforms and over 55,000 effective patents. Since 2009, it has won 92 China Patent Awards. Since 2000, it has won 58 National Science & Technology Awards and published 79 international standards and 686 national standards. It has over 60,000 engineering technicians, 2 academicians of the Chinese Academy of Engineering, 13 national exploration and design masters, 5 experts listed on the "National Hundred, Thousand and Ten Thousand Talent Project", 3 winners of the Grand Skill Award of China, 3 gold medalists of the World Skills Competition, 93 National Technical Experts and 10 national skill master studios.

The Company has a reasonable business structure. It has accelerated the pace of transformation and upgrading by leveraging on the technological and qualification advantages that have been accumulated for more than 70 years in the field of iron and steel metallurgy whole process and whole industrial chain, and continued to consolidate and enhance the metallurgy business, optimize and enhance the housing construction business, expand and enhance the infrastructure business, and accumulated rich construction experience in the fields of housing construction, municipal infrastructure, rail transit, urban renewal etc., and gradually formed the diversified business system of "One Core, Two Main Bodies and Five Features" with the metallurgy construction as the "Core", the housing construction and municipal infrastructure as the "Main Bodies", and the mineral resources and new materials, engineering services, high-end equipment and energy and environmental protection businesses as the "Features". It is one of the key resource-based enterprises designated by the state, one of the largest steel structure production enterprises in China, and one of the first 16 central enterprises determined by the SASAC with main business in real estate development.

The Company's qualification is leading in the industry. It owns 12 Class A research and design institutes, 15 large-scale construction enterprises and has 5 comprehensive Class A design qualifications and 49 special-grade construction qualifications for general contracting. The number of enterprises rated with fourth, third and second special-grade construction qualifications stands at six, two and four, respectively, ranking forefront in China.

The Company has a wide market coverage. It has established over 130 overseas institutions in 50 countries (regions), mainly distributed in Southeast Asia, South Asia, the Middle East and the CIS along the "Belt and Road" initiative, and owns 7 overseas mines, of which 3 are in production. Its domestic secondary institutions and contracted projects are spread across 31 provinces, autonomous regions, and municipalities.

During its 70 years of development, MCC has developed an irreplaceable advantage in the integration of the entire metallurgical construction industry chain and unique corporate core competitiveness. The Company has received the Luban Prize for Construction Projects for 149 projects (including participation), the National Quality Engineering Award for 318 projects (including participation), the Zhan Tianyou Civil Engineering Prize for 32 projects (including participation), and National Metallurgical Industry Excellent Engineering Quality Achievements for 1,205 projects (including participation).

MCC was listed on the main board of the SSE and the Hong Kong Stock Exchange on 21 September 2009 and 24 September 2009. At present, the A Shares of the Company have been selected to be a constituent stock of the SSE Central State-owned Enterprises Index, MSCI Concept Index, SSE 180 Constituent Index and 300 Innovation Index, etc.; while the H Shares have been selected to be a constituent stock of Hang Seng Composite Index, Hang Seng Stock Connect Index, Bloomberg ESG Data Index, etc.

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. CORPORATE INFORMATION

Company name (in Chinese)	中國冶金科工股份有限公司
Abbreviation in Chinese	中國中冶
Company name (in English)	Metallurgical Corporation of China Ltd.
Abbreviation in English	MCC
Legal representative of the Company	Chen Jianguang

II. CONTACT PERSONS AND CONTACT METHOD

	Secretary to the Board	Joint Company Secretaries
Name	Wang Zhen	Wang Zhen, Ng Sau Mei
Address	MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing, the PRC	MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing, the PRC
Telephone	+86-10-59868666	+86-10-59868666
Facsimile	+86-10-59868999	+86-10-59868999
E-mail	ir@mccchina.com	ir@mccchina.com

III. BASIC INFORMATION

Registered address of the Company	28 Shuguang Xili, Chaoyang District, Beijing
The historical change of the registered address of the Company	On 29 June 2010, the 2009 annual general meeting of the Company considered and approved the resolution regarding the Amendments to the Articles of Association of Metallurgical Corporation of China Ltd.*, and approved the change of the registered address of the Company from "No. 11, Gaoliangqiao Xie Jie, Haidian District, Beijing" to "28 Shuguang Xili, Chaoyang District, Beijing".
Business address of the Company in the PRC	MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing, the PRC
Postal code of the business address of the Company in the PRC	100028
Place of business of the Company in Hong Kong	Room 3205, 32/F Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong
H Share registrar and transfer office	Computershare Hong Kong Investor Services Limited
Address of H Share registrar and transfer office	17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Website address of the Company	http://www.mccchina.com
E-mail	ir@mccchina.com

IV. INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Name of media and websites designated by the Company for the disclosure of annual report of A shares	China Securities Journal: http://www.cs.com.cn Shanghai Securities News: http://www.cnstock.com Securities Times: http://www.stcn.com Securities Daily: www.zqrb.cn http://www.sse.com.cn
Website of SSE where the Company discloses the annual report of A shares	
Website of the Hong Kong Stock Exchange where the Company discloses the annual report of H shares	http://www.hkexnews.hk
Place where an annual report of the Company is available for inspection	MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing, the PRC

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

V. SHARES OF THE COMPANY

Types of Shares	Stock exchanges of listing	Stock abbreviation	Stock code
A Shares	Shanghai Stock Exchange	MCC	601618
H Shares	The Stock Exchange of Hong Kong Limited	MCC	01618

VI. OTHER RELEVANT INFORMATION

Auditor appointed by the Company	Name	Ernst & Young Hua Ming LLP
	Office address	Level 17, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang'an Ave., Dongcheng District, Beijing
	Signing auditors	Zhang Ningning, Zhang Ying
Sponsor performing continuous supervisory duty during the Reporting Period	Name	CITIC Securities Company Limited
	Office address	48 Liangmaqiao Road, Chaoyang District, Beijing
	Signing representatives of sponsor	Huang Ci, Yang Bin
	Period of continuous supervision	CITIC Securities Company Limited was the sponsor for the initial public offering of A Shares of MCC on 21 September 2009. As the A Shares proceeds raised by MCC have not been fully utilized, CITIC Securities Company Limited continues to supervise MCC on the use of A Shares proceeds, and performs the relevant continuous supervisory duties after the expiry of continuous supervisory period.
Domestic legal advisor appointed by the Company	Name	Beijing Jia Yuan Law Offices
	Office address	F408 Ocean Plaza, 158 Fu Xing Men Nei Avenue, Xicheng District, Beijing
Overseas legal advisor appointed by the Company	Name	Eric Chow & Co. in Association with Commerce & Finance Law Offices
	Office address	Unit 3401, Alexandra House, 18 Chater Road, Central, Hong Kong

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE RECENT THREE YEARS

(I) Major accounting data

Unit: RMB'000

Major accounting data	2024	2023	Increase/decrease for the period as compared to the corresponding period of the previous year (%)	2022
Operating revenue	552,024,638	633,870,422	-12.91	592,669,072
Net profit attributable to Shareholders of the listed Company	6,745,954	8,670,405	-22.20	10,276,187
Net profit attributable to Shareholders of the listed Company after deducting non- recurring profits and losses	5,103,056	7,553,793	-32.44	9,672,021
Net cash flow generated from operating activities	7,847,704	5,891,801	33.20	18,153,061

	At the end of 2024	At the end of 2023	Increase/decrease for the period as compared to the corresponding period of the previous year (%)	At the end of 2022
Net assets attributable to Shareholders of the listed company	153,043,098	145,480,182	5.20	121,116,261
Total assets	808,015,755	661,602,236	22.13	585,392,827

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

(II) Major financial indicators

Major financial indicators	2024	2023	Increase/ decrease for the period as compared to the corresponding period of the previous year	2022
Basic earnings per share (RMB/share)	0.24	0.33	-27.27	0.45
Diluted earnings per share (RMB/share)	0.24	0.33	-27.27	0.45
Basic earnings per share after deducting non-recurring profits and losses (RMB/share)	0.16	0.28	-42.86	0.42
Weighted average return on net assets (%)	4.87	7.23	Decreased by 2.36 percentage points	10.47
Weighted average return on net assets after deducting non-recurring profits and losses (%)	3.23	6.06	Decreased by 2.83 percentage points	9.79

(III) Financial highlights

1. Overview

The Company's financial position as at 31 December 2024 and the operating results for 2024 are as follows:

- Operating revenue amounted to RMB552,025 million, representing a decrease of RMB81,845 million or 12.91% from RMB633,870 million in 2023.
- Net profit amounted to RMB7,904 million, representing a decrease of RMB3,502 million or 30.70% from RMB11,406 million in 2023.
- Net profit attributable to Shareholders of the listed Company amounted to RMB6,746 million, representing a decrease of RMB1,924 million or 22.20% from RMB8,670 million in 2023.
- Basic earnings per Share amounted to RMB0.24, and the basic earnings per Share in 2023 amounted to RMB0.33.
- As at 31 December 2024, total assets amounted to RMB808,016 million, representing an increase of RMB146,414 million or 22.13% from RMB661,602 million as at 31 December 2023.
- As at 31 December 2024, Shareholders' equity amounted to RMB182,336 million, representing an increase of RMB14,345 million or 8.54% from RMB167,991 million as at 31 December 2023.
- Value of newly signed contracts amounted to RMB1,248,706 million, representing a decrease of RMB176,073 million or 12.36% from RMB1,424,779 million in 2023.

Note: The percentages of increase or decrease are calculated by rounding up to RMB.

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

2. Operating revenue from principal business segments

During the Reporting Period, operating revenue from the principal business segments of the Company is as follows:

(1) Engineering Contracting Business

Operating revenue amounted to RMB501,450 million, representing a decrease of RMB84,032 million or 14.35% from RMB585,482 million in 2023.

(2) Featured Segment Business

Operating revenue amounted to RMB38,166 million, representing a decrease of RMB630 million or 1.63% from RMB38,796 million in 2023.

(3) Comprehensive Real Estate Business

Operating revenue amounted to RMB18,753 million, representing an increase of RMB2,234 million or 13.52% from RMB16,519 million in 2023.

(4) Other Businesses

Operating revenue amounted to RMB720 million, representing a decrease of RMB185 million or 20.50% from RMB905 million in 2023.

Note: All statistics of segment operating revenue above are figures before inter-segment elimination; the percentages of increase or decrease are calculated by rounding up to RMB.

3. Summary of financial statements

The following is a summary of financial information prepared in accordance with China Financial Reporting Standards:

(1) Consolidated Income Statement

Unit: RMB'000

Item	Note	2024	2023
I. Total operating revenue	VII 53	552,024,638	633,870,422
Including: Operating revenue		552,024,638	633,870,422
II. Total operating costs		533,078,519	610,627,073
Including: Operating costs	VII 53	498,543,592	572,456,849
Taxes and levies	VII 54	2,156,087	1,921,074
Selling expenses	VII 55	3,063,315	3,169,316
Administrative expenses	VII 56	11,830,595	12,360,311
Research and development expenses	VII 57	16,406,225	19,730,402
Financial expenses	VII 58	1,078,705	989,121
Including: Interest expenses		3,362,179	2,643,310
Interest income		2,715,515	2,001,447
Add: Other income	VII 59	550,228	560,094
Investment losses		(1,354,525)	(1,487,345)
Including: Gains from investments in associates and joint ventures	VII 60	137,334	506,149
Losses from derecognition of financial assets at amortized cost		(1,089,125)	(1,737,172)
Losses from changes in fair values	VII 61	(377,207)	(314,223)
Credit impairment losses	VII 62	(7,193,525)	(5,994,293)
Asset impairment losses	VII 63	(2,540,854)	(2,954,820)
Gains on disposal of assets	VII 64	1,052,666	663,075

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

Item	Note	2024	2023
III. Operating profit		9,082,902	13,715,837
Add: Non-operating income	VII 65	453,584	288,789
Less: Non-operating expenses	VII 66	281,948	239,854
IV. Total profit		9,254,538	13,764,772
Less: Income tax expenses	VII 67	1,350,206	2,358,663
V. Net profit		7,904,332	11,406,109
(I) Net profit classified by operating continuity			
Net profit from continuing operations		7,904,332	11,406,109
(II) Net profit classified by ownership ascription			
Net profit attributable to Shareholders of the Company		6,745,954	8,670,405
Profit or loss attributable to non-controlling interests		1,158,378	2,735,704
VI. Other comprehensive income, net of income tax	VII 49	(359,480)	66,560
Other comprehensive income attributable to shareholders of the Company, net of income tax		(364,852)	26,576
(I) Items that will not be reclassified to profit or loss		(120,938)	(80,701)
1. Re-measurement of defined benefit obligations		(229,146)	(75,595)
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		(10)	(8)
3. Changes in fair values of investments in other equity instruments		108,218	(5,098)
(II) Items that may be reclassified to profit or loss		(243,914)	107,277
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		(414)	3,968
2. Changes of fair value of receivables at FVTOCI		8,823	(7,874)
3. Exchange differences on translating financial statements in foreign currencies		(252,323)	111,183
Other comprehensive income attributable to non-controlling interests, net of income tax		5,372	39,984
VII. Total comprehensive income		7,544,852	11,472,669
Total comprehensive income attributable to shareholders of the Company		6,381,102	8,696,981
Total comprehensive income attributable to non-controlling interests		1,163,750	2,775,688
VIII. Earnings per share	VII 68		
(I) Basic earnings per share (RMB/share)		0.24	0.33
(II) Diluted earnings per share (RMB/share)		0.24	0.33

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

(2) Summary of Consolidated Total Assets and Total Liabilities at the end of December 2024

Unit: RMB'000

	31 December 2024	31 December 2023
Total assets	808,015,755	661,602,236
Total liabilities	625,679,889	493,611,071
Total equity	182,335,866	167,991,165

VIII. DIFFERENCE IN ACCOUNTING DATA BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

(I) Differences in net profit and net asset attributable to Shareholders of the Company disclosed in financial reports under International Accounting Standards and Chinese Accounting Standards for Business Enterprises

☐ Applicable ☒ Not applicable

(II) Differences in net profit and net asset attributable to Shareholders of the Company disclosed in financial reports under Overseas Accounting Standards and Chinese Accounting Standards for Business Enterprises

☐ Applicable ☒ Not applicable

(III) Explanation on the differences in domestic and overseas accounting standards:

☐ Applicable ☒ Not applicable

IX. MAJOR FINANCIAL DATA IN 2024 ON A QUARTERLY BASIS

Unit: RMB'000

	The first quarter (January – March)	The second quarter (April – June)	The third quarter (July– September)	The fourth quarter (October– December)
Operating revenue	149,949,264	148,892,263	113,775,947	139,407,164
Net profit attributable to Shareholders of the listed Company	2,678,657	1,471,081	2,681,017	(84,801)
Net profit attributable to Shareholders of the listed Company after deducting non-recurring profits and losses	2,668,559	549,857	2,404,329	(519,689)
Net cash flow generated from operating activities	(30,747,367)	2,341,207	(2,329,452)	38,583,316

Explanation on the difference between quarterly data and the data in the disclosed periodic report

☐ Applicable ☒ Not applicable

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

X. NON-RECURRING PROFIT AND LOSS ITEMS AND THEIR AMOUNTS

Unit: RMB'000

Non-recurring profit and loss items	Amount in 2024	Note	Amount in 2023	Amount in 2022
Profit or loss on disposal of non-current assets, including the write-off of provision for impairment of assets	1,052,666	XVIII	663,075	303,355
Government grants recognized in current profit or loss (except for the government grants that are closely related to the normal operating business of the Company and, in line with national policies and in accordance with defined criteria, which have a lasting impact on the profit or loss of the Company)	465,213	XVIII	504,767	545,862
Profit/loss from the change of fair value of financial assets and financial liabilities held by non-financial enterprises, and profit/loss from the disposal of financial assets and financial liabilities except for those gain/loss relating to the effective hedging transactions under the Company's normal operating business	(477,667)	XVIII	(326,395)	(317,778)
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss	305,423	XVIII	155,616	–
Reversal of provision for impairment of receivables individually tested for impairment	849,975	XVIII	495,375	125,670
Profit/loss from debt restructuring	30,046	XVIII	44,177	12,476
Other non-operating income and expenses other than the above items	131,380	XVIII	19,595	(39,924)
Gain arising from remeasurement of equity interests held business combination not involving enterprises under common control prior to the acquisition date at fair value	–	–	–	146,349
Profit or loss on disposal of long-term equity investments	13,380	XVIII	48,027	76,921
Less: Impact on income tax	(394,896)	XVIII	(205,233)	(164,521)
Impact on minority Shareholders interests (after tax)	(332,622)	XVIII	(282,392)	(84,244)
Total	1,642,898	XVIII	1,116,612	604,166

Reasons shall be given with respect to the Company classifying the items not listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public-Non-recurring Gain or Loss Items as non-recurring profit and loss items with significant amounts, and classifying the non-recurring profit and loss items listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Issuing Their Securities to the Public-Non-recurring Gain or Loss Items as recurring profit and loss items.

☐ Applicable ☒ Not applicable

XI. ITEMS MEASURED UNDER FAIR VALUE

Unit: RMB'000

Item	Balance at the beginning of the period	Balance at the end of the period	Changes during the period	Impact on the profit of the current period
Financial assets held for trading	1,951	2,770	819	183
Receivables financing	11,131,328	8,597,053	(2,534,275)	(370,798)
Investments in other equity instruments	1,126,144	1,698,287	572,143	21,270
Other non-current financial assets	3,992,595	4,875,569	882,974	24,347
Derivative financial assets	12,676	–	(12,676)	(12,676)
Derivative financial liabilities	(453,950)	(755,963)	(302,013)	(369,193)
Total	15,810,744	14,417,716	(1,393,028)	(706,867)

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

I. OPERATION RESULT DISCUSSION AND ANALYSIS

In 2024, the Company insisted on the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th National Congress of the Party and the Second and Third Plenary Sessions of the 20th CPC Central Committee, earnestly implemented the deployment requirements of the SASAC and the higher authorities, adhered to the general keynote of seeking progress in a stable manner, focused on high-quality development, endeavored to enhance its core functions and improve its core competitiveness, strove to develop market to grasp the opportunities, deeply implemented refined management to enhance efficiency, highlighted technological innovation to lead the empowerment, made all efforts to resolve risks and keep the bottom line, and took the initiative to plan for the restructuring and upgrading of the enterprise, laying a solid foundation for the successful conclusion of the 14th Five-Year Plan and the smooth start of the 15th Five-Year Plan.

(I) **Insisting on observance of integrity and innovation, seeking progress amidst stability, and solidly consolidating the foundation of the enterprise's high-quality development**

With the goal of high-quality development, the Company proactively adapted to changes in the market situation, strengthened the improvement of basic management capabilities, and continued to make steady progress in performance and quality while maintaining stability. During the Reporting Period, the Company realized new contracts amounting to RMB1,248.706 billion, of which overseas new contracts amounting to RMB93.134 billion, representing a year-on-year increase of 46.94% with the scale of overseas business doubled in two years; and achieved operating revenue of RMB552.025 billion, total profit of RMB9.255 billion, and cash flow from operating activities of RMB7.848 billion, representing a year-on-year increase of 33.20%, which maintained a stable corporate fundamentals and gathered abundant energy for long-term development.

(II) **Continuous optimization and adjustment of business structure, and steady progress in the pace of restructuring and upgrading**

In the face of intensifying market competition, the Company proactively changed the development mindset and continued to optimize and adjust the business system of "One Core, Two Main Bodies and Five Features". By promoting the implementation of the "Five-Five" strategy, the Company consolidated and increased the proportion of the steel metallurgy business and successfully signed contracts for the Green and Low Carbon Hydrogen Metallurgy Project of Shanxi Jingang Smart Technology Industrial Co., Ltd. and Pilot Demonstration Project of Sichuan Hydrogen-based Shaft Furnace for Vanadium-bearing Titanomagnetite Smelting, leading the development of green and low-carbon technologies in the national iron and steel industry, and further strengthening the core function of national team of metallurgical construction. The Company closely followed the guidance of national strategies and policies in the layout, and the market share in economic hotspot areas increased steadily, with the newly signed contracts in Xiong'an New Area ranking among the top of centralized enterprises. By vigorously implementing the "Five Linkages" mechanism, the Company actively utilized the advantages of entire industrial chain, promoted the interconnectivity of subsidiaries to form a marketing synergy, and significantly increased the quantity and quality of linked bid-winning projects, thus successfully building up a differentiated competitive advantage in the market. Under this impetus, the Company successfully won a number of projects with over RMB10 billion, including Advanced Electromechanical Equipment and Logistics Industrial Park in Chongqing Hub Port Industrial Park and Sentosa Resort World Seaside Hotel at Integrated Resort in Singapore. At the same time, the Company actively promoted the extension of the technological advantages in metallurgical construction and advantages in the whole industrial chain to related fields, vigorously expanded its featured business, realized the continuous expansion of copper, nickel, cobalt and other metal resources, and successfully developed ultra-high purity silicon-based electronic materials manufacturing technology and equipment.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(III) Steady improvement in project management standards and solid progress in high-quality contract fulfillment

The Company thoroughly implemented the requirements of the “Manual for Project Management”, conducted 14,424 inspections across all levels of projects and organized 1,255 training activities concerning the “Manual for Project Management” throughout the year, and jointly launched the first inspection of “grand performance” system; released the first version of the “Commercial Management System” and the “Management Measures for Project Pre-settlement” during the year, and completed the compilation of the first edition of the “Guidelines for Key Tasks in Project Cost Control”, laying a solid foundation for the promotion and implementation of “grand business” management. The Company also promoted the continuous improvement of project progress management capability, reduced the number of projects with first-level progress warning by 12% through the closed-loop management of progress warning and disposal, and vigorously implemented the “Three-Year Special Action for Cost Reduction and Efficiency Improvement, and Comprehensive Measures to Reduce Leverage and Mitigate Risks”, consistently enhancing the quality of economic operation. During the Reporting Period, a number of major projects constructed by the Company with industry influence achieved phased results. The widest and thickest plate rolling mill designed and supplied by the Company independently, the Wide and Thick Plate Project at Henan Angang Zhoukou Iron & Steel Base, was successfully heat-tested, the Non-ferrous Metal Smelting Project in Xinjiang was completed successfully and put into production, the Relocation, Upgrading and Renovation Project of Sichuan Dagang went into full operation, the Xiong'an International Trade Center project completed the topping out of the steel structure of the terminal building, the Northern Section of the Palace Museum's Project completed the topping out of the main structure, and the Jianglong Expressway Project successfully achieved the deck closure of Modaoxi Bridge, which made significant contributions to safeguarding national livelihoods and leading industry progress.

(IV) Gradual enhancement of scientific and technological innovation support and effective stimulation of reform and development vitality

The Company insisted on taking scientific and technological innovation as the core driving force to promote the high-quality development of the enterprise, continuously optimized the scientific and technological innovation system, and strengthened the empowerment of digitalized management. Focusing on the construction of scientific research platforms and improving the system and mechanism, the Company was approved to set up six provincial and ministerial-level technological innovation platforms, and the Key National Laboratory for Environmental Protection in Iron and Steel Industry of CRIBC has been actively engaged in optimisation and restructuring; and WISDRI successfully obtained the approval of the “Original Technology Source for Pollution Control of Metallurgical Industry” by the SASAC. Focusing on the transformation and industrialization of scientific and technological achievements, the world's first high-voltage, high-power molten salt storage and inductive heating device independently researched and developed was successfully put into operation, and the world's first charcoal-heat-reduction flue gas sulphur pilot line independently developed was successfully conducted a hot test. The cultivation of demonstration enterprises made new records, with the number of national-level manufacturing single champions increasing to six and the number of specialized and sophisticated “little giant” enterprises rising to ten, the construction of qualification matrix continued to achieve good results, with the number of special qualifications increasing to 49; and the overall credit rating of enterprises continued to be improved, with the number of AAA subsidiaries increasing to 7 and AA+ subsidiaries reaching 15.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(V) Steady progress in compliance system construction and continuous consolidation of risk prevention and control achievements

The Company solidly advanced the construction of the rule of law compliance system, established and implemented a “one-to-one” evaluation system for its subsidiaries, strengthened the main responsibility of the “three lines of defense” for compliance, smoothly passed the certification of the compliance management system, formulated the “Compliance Management Manual” for 20 business lines and the Compliance Guidelines for three key areas, and guided the backbone subsidiaries to fully establish the “three lists” for compliance management, which led to a significant improvement in the effectiveness of case handling and supervision, as well as a simultaneous increase in the loss reduction, recovery, and repayment amounts. The Company consistently adhered to a bottom-line mindset, highlighted major risk prevention and control to continuously strengthen the safety safeguards for high-quality development, continued to promote the risk resolution of real estate and PPP, investment and financing projects, implemented the requirements of the central government on the deployment of real estate “to stop the decline and return to stability”, and deepened efforts to reduce inventory, innovating land acquisition and revitalizing idle assets, coordinated planning and implementation through “one project, one plan and one team”, and accomplished the annual tasks and objectives. The Company thoroughly implemented the philosophy of “Two Supremacy”, vigorously promoted a three-year action to address the root causes of safety production, and focused on the management of major accident hazards, initially realizing the dynamic clearance of major accident hazards; comprehensively carried out the special management action of “High-Fall Prevention”, and systematically standardized the operation at heights, resulting in an overall stable condition of safe production.

(VI) Actively practicing the concept of “investor-oriented” and fully implementing the action programme of “enhancing quality, increasing efficiency and focusing on returns”

The Company actively responded to the “Initiative on Carrying Out the Special Action of “Enhancing Quality, Increasing Efficiency and Focusing on Returns” for Shanghai Companies (《關於開展滬市公司“提質增效重回報”專項行動的倡議》)” by SSE, and fulfilled the main responsibility of high-quality development of the Company and enhancement of its own investment value through practical actions. Anchoring on the Goals for “one building, two most, five strong”, the Company comprehensively advanced the enterprise’s transformation and upgrading, continued to optimise its business structure characterized by “One Core, Two Main Bodies and Five Features”, accelerated the deep integration of innovation chains and industry chains, and created new advantages in high-quality development through new forms of productivity. The Company adhered to the policy of sustained and stable cash dividends, and actively shared the development results with Shareholders. During the Reporting Period, the Company completed the cash dividend of RMB1.492 billion for the year 2023, accounting for 17.21% of the net profit attributable to Shareholders of the Company in the consolidated statement for the year 2023, and proposed to continue to maintain a stable proportion of cash dividend in the profit distribution plan for the year 2024 to be considered by the Board, proposing to implement a cash dividend of RMB1.161 billion. The Company attached great importance to and strictly fulfilled the information disclosure obligations, and continuously improved the quality of information disclosure. During the Reporting Period, the Company was rated Class A Listed Company for SSE Information Disclosure for the eighth consecutive year. The Company actively carried out various forms of communication and exchange with Shareholders and investors, and held three performance briefings during the Reporting Period, and organised a reverse roadshow on the theme of “new semiconductor materials”, effectively enhancing investors’ understanding and awareness of the Company’s business, strengthening interaction and mutual trust between the Company and investors. In 2025, the Company will continue to focus on its core business, enhance comprehensive value creation, and actively reward investors through steady and high-quality development.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

II. THE BUSINESS SITUATION OF THE COMPANY DURING THE REPORTING PERIOD

(I) Engineering Contracting

1. *Metallurgical construction*

The overall iron and steel production in China remained stable in 2024, effectively meeting the higher demand for iron and steel materials driven by national economic development and industrial structure optimization, and steadily advancing the development of new quality productivity. At the same time, the iron and steel industry was increasingly exhibiting characteristics of entering a stage of “Stock Optimization”, and the industry operation continued to show a pattern of “Three Highs and Three Lows”, namely high production, high cost, high exports, low demand, low price and low efficiency. With the release of the Notice on Suspension of Steel Capacity Replacement Work by the MIIT, the supply-demand relationship of the iron and steel industry faced new challenges, and new requirements were put forward for the policy of capacity replacement in terms of green and low-carbon, structural adjustment, layout optimization and merger and reorganization, etc., with positive impacts on the curbing of the increase of non-compliant production capacity as well as periodic rebalance in supply and demand, which will be helpful in promoting the iron and steel industry to resolve overcapacity, facilitate merger and reorganization and improve technological and equipment standards, and enhancing the overall efficiency and international competitiveness of the iron and steel industry, thus laying the foundation for the transformation, upgrading, green, low-carbon and high quality development of the industry in the long-term.

2. *Housing and municipal infrastructure construction*

The state launched a series of supportive policies, and the market for housing construction and municipal infrastructure construction was presented with numerous development opportunities. The support of local government on special bonds and special borrowings from development and policy financial institutions as well as commercial bank loans in the field of urban village renovation was further increased, and the scope of renovation support was expanded to nearly 300 prefecture-level cities and above; the investment within the central budget and the ultra-long special treasury bond issuance program issued during the year focused on supporting the construction and renovation of urban underground pipeline corridors, the project construction of “Major Implementation and Key Construction” and the implementation of “New Infrastructure and New Urbanisation Initiatives” policies, as well as supporting the use of policy financial funds to accelerate land comprehensive improvement and ecological protection and restoration, creating significant opportunities for expanding infrastructure construction and public utility operations. The Ministry of Housing, Urban and Rural Development issued the “Action Plan to Promote the Renewal of Equipment for Buildings and Municipal Infrastructure”, proposing that by 2027, equipment with outdated technology, failing to meet relevant standards and norms, and failing to meet energy-saving and environmental protection standards shall be renewed and reconstructed according to plan, and the market of renewing municipal infrastructure equipment would be exposed to development opportunities. The release of “Opinions on Promoting the Construction of New Urban Infrastructure to Create a Durable City”, which focuses on the construction and transformation of intelligent municipal infrastructure, and the promotion of the synergistic development of smart city infrastructure and intelligent networked vehicles, will also play a positive role in stimulating infrastructure investment in the future. In the face of huge investment market demand, the Company’s two main businesses have great potential.

In 2024, the overall market size of the overseas engineering contracting industry showed a steady upward trend. The rapid economic development of emerging markets and developing countries, the increasing demand for infrastructure, and the in-depth development of international cooperation projects such as the “Belt and Road” cooperation initiative created a favorable policy environment and market opportunities for the overseas engineering contracting industry. With the international community’s increasing concern for environmental protection and sustainable development, green building and environmental protection projects have become new growth points, and the global supply chain is becoming more regionalized and localized, construction engineering enterprises need to give more consideration to the safety, stability and sustainability of the supply chain.

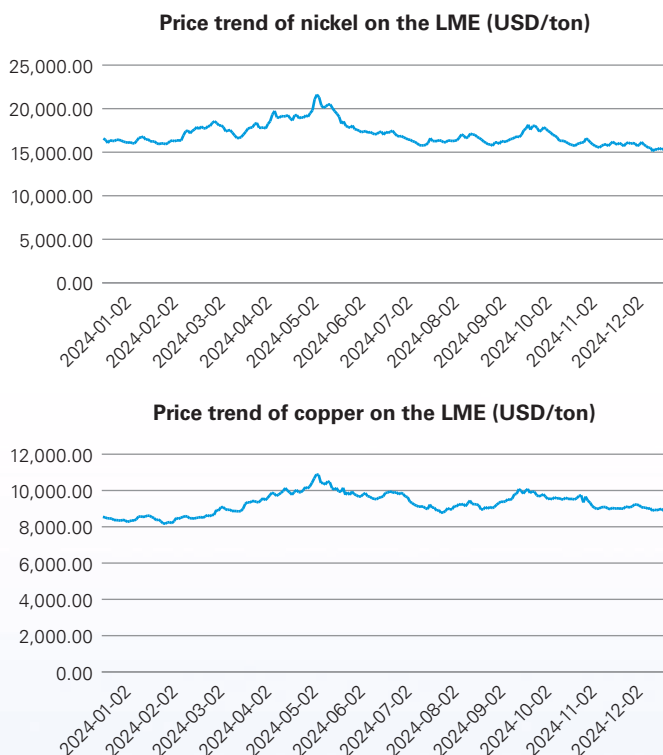
REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(II) Featured Business

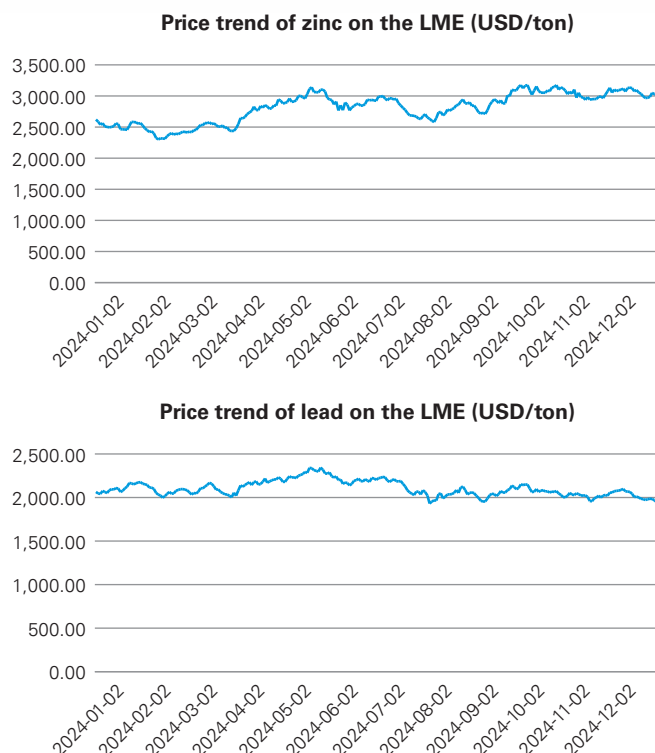
In 2024, the MIIT and other seven departments jointly issued implementation opinions, focusing on six major directions of future manufacturing, future information, future materials, future energy, future space and future health, and systematically laying out technological research and industrialization. The Company's featured business has a high degree of overlap with the strategic emerging industries, which will usher in a window of growth.

1. Mineral resources and new materials business

In 2024, the global mining industry still confronted with severe challenges. Under the unprecedented changes in a century in the world, geopolitical and other major risks overlapped with each other, the trend of "reverse globalization" and the ideology of resource nationalism were on the rise, the security of strategic critical mineral supply became a key battlefield for major powers, and the prices of non-ferrous metals experienced wide fluctuations, with significant divergence in the price trend of different metal varieties. The average prices of nickel, copper, zinc and lead on the London Metal Exchange ("LME") for 2024 were USD17,052/ton, USD9,266/ton, USD2,811/ton and USD2,103/ton, respectively, representing a decrease of 20.6%, an increase of 9.2%, an increase of 6.1% and a decrease of 1.6%, respectively, as compared with 2023, with the specific price trends as shown in the chart below:



REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS



Source: 10jqka.com.cn

With the rapid development of artificial intelligence, cloud computing, smart cars and other industries, the market demand for high-performance storage chips continued to grow, driving the booming development of the chip raw materials market and the rapid increase in raw material prices. Due to multiple restrictions on the introduction of advanced technologies and cooperation in research and development, the process of nationalization of chip design and manufacturing was accelerating, which created development opportunities for the research and development, manufacturing and continuous upgrading of the Company's related silicon-based material products.

2. *Engineering services*

Benefiting from the acceleration of national infrastructure construction, the progress of urbanization and the expansion of the scale of fixed asset investment, the market demand for comprehensive, cross-phase and integrated engineering services was growing, and the service area extended from the traditional infrastructure to the emerging fields such as intelligent manufacturing, green and low-carbon, etc., which boosted the development of the architectural and engineering service industry. With the application of advanced technologies such as big data, cloud computing, artificial intelligence, etc., the service efficiency and quality of the engineering services industry have been further improved, and the cost and risk have been significantly reduced. For example, through the introduction of BIM technology, the whole process of integrated application of building information modeling has been realized, and the level of informatization and intelligence in project management has been improved, which has brought the industry a new business model and service mode, and realized cross-border integration and innovative development. Under the continuous promotion of national strategies such as "dual-carbon" target, digital transformation and high-quality development, the whole industry is expected to have more development opportunities.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

3. *High-end equipment*

In recent years, China's metallurgical intelligent manufacturing equipment has entered a stage of rapid development, with the advancement of manufacturing process and technology, the domestic leading enterprises have gradually become more competitive, industry enterprises are gradually revealed, the overall market share is increasing, basically realize the import substitution, and part of the products are already in the international leading level. In terms of steel structure, according to the 14th Five-Year Plan and Long-Range Objectives for 2035 for the Steel Structure Industry released by the China Steel Construction Society, by 2035, the application of steel structure in national construction will reach the level of moderately developed countries, with an annual consumption of steel structure exceeding 200 million tons, accounting for over 25% of crude steel production. The proportion of steel structure buildings in new construction area will gradually reach about 40%, aiming to basically achieve intelligent construction of steel structure. In order to achieve the goal, the steel structure industry needs to strengthen the ability of scientific and technological innovation, promote the coordinated development of the steel structure industry, and at the same time, strengthen the standardization of design, promote the research and development of green products, and actively adopt the digitization and intelligent technology to empower the entire steel structure industry chain.

4. *Energy and environmental protection*

The energy and environmental protection industry is gradually transitioning from a fast-expanding engineering investment and construction mode to a stable operation mode. Against the backdrop of comprehensive green transformation of China's economy and society, the long-term positive fundamentals of the energy and environmental protection industry will not change. Meanwhile, under the background of the "dual-carbon" strategy, the low-carbon development of industries has become an inevitable trend, with the gradual establishment of a new industrial system characterized by low energy consumption and low pollution, and strong market demand for clean energy construction, with the accelerated construction of wind power, photovoltaic power generation and energy storage projects. In addition, the continuous and in-depth implementation of the strategy of common prosperity and rural revitalization has spurred significant development in rural production and living conditions, and infrastructure of agricultural industrial parks, presenting vast market prospects. According to the forecast of the Prospect Industry Research Institute, during the period of 2024–2029, the compound annual growth rate of operating revenue on China's ecological and environmental protection industry will reach 10%, and by the end of 2029, the scale of operating revenue is expected to exceed RMB4 trillion, and the ecological and environmental protection industry will be mainly oriented towards the water conservancy and utilities, ecological urban construction, comprehensive river basin management, soil restoration, urban sewage, sludge treatment, solid waste disposal and other fields.

(III) **Comprehensive Real Estate**

From the perspective of the annual performance of the real estate market in 2024, the overall real estate market is still showing a trend of adjustment, and the overall transaction scale of national real estate market remains at a low level. According to the data from the National Bureau of Statistics, the national real estate development investment in 2024 was RMB10 trillion, representing a year-on-year decrease of 10.6%; the sales area of newly built commercial buildings was 970 million square meters, representing a year-on-year decrease of 12.9%; and the sales revenue of newly built commercial buildings was RMB9.7 trillion, representing a year-on-year decrease of 17.1%. From a policy perspective, the Central Economic Conference in December 2024 emphasized "persistent effort to stabilize and recover the real estate market, intensifying the renovation of urban villages and dilapidated houses, fully unleashing the potential demand for rigid and improved housing, reasonably controlling the supply of new real estate land, revitalizing existing land and commercial properties, advancing the disposal of existing commodity houses, and promoting the establishment of a new real estate development model", which greatly boosted the development of the real estate market. With the effective implementation of both existing and incremental policies, the real estate market is expected to continue the improvement.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

III. INFORMATION ON THE COMPANY'S BUSINESS DURING THE REPORTING PERIOD

As a super large comprehensive construction group, the Company actively adapts to market changes, fully leveraging its own advantages to steadily build a diversified business system characterized by "One Core, Two Main Bodies and Five Features" with metallurgical construction as the "Core", housing construction and municipal infrastructure as the "Main Bodies", and mineral resources and new materials, engineering services, high-end equipment and energy and environmental protection businesses as the "Features". During the Reporting Period, the Company anchored the Goals for "one building, two most, five strong". Following the fundamental path of "strengthening the core, optimizing the main body, and expanding distinctive features", the Company strategically planned and methodically advanced the enterprise's transformation and upgrading, accelerating the high-quality development of the Company.

(I) Engineering Contracting

During the Reporting Period, in the face of the increasingly competitive market environment in the construction industry, the Company made great efforts to develop the market and achieved a newly signed contract value of RMB1,147.470 billion, of which RMB168.573 billion, or 14.69%, was for metallurgical engineering, and RMB978.897 billion, or 85.31%, was for non-metallurgical engineering including housing construction, municipal infrastructure and others.

Overall operating results of the engineering contracting business in 2024

Unit: RMB'000

	2024	% of the total	2023	Year-on-year increase/decrease
Segment operating revenue	501,450,181	89.69%	585,482,301	-14.35%
Gross margin (%)	9.24	—	9.09	Increased by 0.15 percentage point

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

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

1. Metallurgical construction business

The Company's metallurgical construction business is the Company's traditional core main business, mainly including new construction, expansion, and intelligent, green, and efficient renovation projects for the steel and non-ferrous metals industries, as well as operation services for steel mills and the non-ferrous metals industries. As the founder of new China's metallurgical industry, the world's largest and strongest metallurgical construction contractor and metallurgical enterprise operation service provider, the Company relies on the integration advantage of the whole industry chain of metallurgical engineering consultation, survey, design, and construction, and occupies an absolute advantage in the field of metallurgical construction. It is a leading enterprise in the field of metallurgical construction. In recent years, the Company has closely followed the development process of the reduced-volume growth and transformation from size to strength in the iron and steel industry, fully leveraged its advantages in core technology, innovation driven, and resource allocation and integration, and actively explored new green and low-carbon metallurgical processes and technologies. With technologies related to new quality productive forces in metallurgy at its core, the Company has driven the development of metallurgical engineering and operation services, thereby forming a brand-new industrial competitiveness. During the Reporting Period, the Rizhao Steel Full-process Intelligent Plant (日照鋼鐵全流程智能工廠), jointly built by the Company's subsidiary CISDI and Rizhao Steel, was successfully launched, and became the industry's largest smart center with the most production lines and the highest full-process integration; the "AI+ Long products" machine vision application system, independently developed by the Company's subsidiary MCC Capital, was fully put into use on Fujian Sangang 800,000-ton Large-size High-quality Bar Production Line (福建三鋼80萬噸中大規格優質棒材產線), marking a significant breakthrough in the application of intelligent manufacturing technologies in the iron and steel industry, and effectively contributing to the digital and green transformation of China's iron and steel industry.

The proportion of the operating revenue accounting for the total amount of engineering contracting in metallurgical construction business of the Company for the corresponding period are as follows:

Unit: RMB'000

Items of revenue	2024		2023		2022	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Metallurgical engineering	109,102,082	21.76	111,269,436	19.00	121,248,446	22.64

Note: The segment operating revenue is data without offsetting inter-segment transactions.

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During the Reporting Period, the key metallurgical construction projects tendered and entered into by the Company are as follows:

No.	Name of Project (Contract)	Contractual Amount (RMB100 million)
Domestic projects		
1	General Contracting Agreement for Green Low Carbon Hydrogen Metallurgy Project of Shanxi Jingang Smart Technology Industrial Co., Ltd. (山西晉鋼智造科技實業有限公司綠色低碳氫冶金項目總承包協議)	22.0
2	EPC Contract for 2 Million Tons/Year Circular Economy Comprehensive Utilization Coal Coking Project in Shuicheng District of Guizhou Energy (貴州能源水城200萬噸/年循環經濟綜合利用煤焦化項目EPC總承包工程合同)	21.1
3	EPC General Contract for Low-carbon, Green and Intelligent Upgrading Project of Blast Furnaces of Fushun New Steel Co., Ltd. (撫順新鋼鐵有限責任公司高爐低碳綠色智能化升級改造項目EPC總承包合同)	15.8
4	Fujian Qingtuo Stainless Steel Medium and Thick Plate Project (福建青拓不銹鋼中厚板項目)	13.3
5	Contract for Main Body Engineering of CSP Renovation at Carbon Thin Plant of Jiuquan Iron & Steel in Jiayuguan City (嘉峪關市酒鋼碳薄廠CSP改造主體工程合同)	13.1
6	Sintering Flue Gas Treatment Efficiency Improvement Project of Tangshan Wenfeng Special Steel Co., Ltd.* (唐山文豐特鋼有限公司燒結煙氣處理提效改造項目)	12.0
7	Equipment Procurement and Construction Contract for 2 Million Tons Coking Project of Junping Coking of Yellow River Group in Wuhai City (烏海市黃河集團駿平焦化200萬噸焦化工程設備採購及施工合同)	12.0
8	EPC Project for Phase II Step-One Angang Electronmagnetic New Materials (安鋼電磁新材料二期一步工程 (EPC) 項目)	12.0
Overseas projects		
1	Engineering Procurement, Construction, Installation, Testing and Commission (EPC) for 2×1.2 MTPA Smelter Grade Alumina Refinery Works on Turnkey Basis (印尼 PT.GREEN INDONESIA ALUMINA 公司年產2×120萬噸冶金級氧化鋁廠 EPC 工程總承包項目)	40.7
2	Green Energy Roof Panel and Electric Vehicle Panel Cold Rolling Project in Jizzakh Region, Uzbekistan (烏茲別克斯坦吉紮克州綠色能源屋面板及電動汽車板冷軋項目)	8.3
3	Blue Flame Energy Co., Ltd. Annual Production Capacity of 67,000 Tons of Nickel-Equivalent Wet Smelting Construction Project Supporting 2×1 Million Tons of Sulphur Acid Production Equipment (藍焰能源有限公司年產6.7萬噸鎳當量濕法冶煉建設項目配套2×100萬噸硫磺制酸裝置)	5.9
4	OBI Nickel Iron Project RKEF Phase II (Section II) (OBI鎳鐵項目RKEF二期工程 (二標段))	5.2

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2. *Housing and municipal infrastructure engineering business*

Housing and municipal infrastructure engineering are the Company's two "main" businesses, serving as important sources of operating revenue. The business scope mainly includes superhigh-rise buildings, large venues, public buildings with complex structures and functions, large-scale urban area construction and renewal projects, as well as transportation with comparative advantages such as high-grade highways and rail transit, municipal infrastructure engineering, electric power engineering, petrochemical engineering, hydraulic engineering and communication engineering. Focusing on high-end business, the Company was committed to creating a full-process service ecological chain featuring "design + general contracting management + value-added services", which was characterized by its distinctive integration of planning and design, engineering construction, and smart operations. During the Reporting Period, the Company has vigorously developed high-quality projects, expanded into premium markets, and built a strong brand. In the field of building construction, the Company has actively integrated into and served the national development strategy, vigorously expanded the "Three Major Projects" business, focused on hotspot regions, and increased the undertaking of "large, comprehensive, and high-profile" projects; in the municipal infrastructure construction sector, the Company has seized opportunities presented by policies on underground pipeline networks and comprehensive land improvement, accelerated the layout of new energy industry construction, and increased the proportion of municipal business. Meanwhile, by actively playing a role with the "Five Linkages" in market marketing, the Company has further leveraged its full industry chain advantages in consulting, planning, surveying, design, investment, construction, and operation, and has undertaken a number of landmark engineering projects.

The operating revenue of the housing and municipal infrastructure engineering industry of the Company and its proportion to the total revenue of engineering contracting are as follows:

Unit: RMB'000

Items of revenue	2024		2023		2022	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Housing construction and municipal infrastructure engineering	392,348,099	78.24	474,212,865	81.00	414,266,220	77.36

Note: The segment operating revenue is data without offsetting inter-segment transactions.

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During the Reporting Period, the key housing construction and municipal infrastructure engineering projects tendered and entered into by the Company are as follows:

No.	Name of Project (Contract)	Contractual Amount (RMB100 million)
Domestic projects		
1	General Contracting Project for the Development of Chengdong Area of Yongqiao District, Suzhou City (宿州市埇橋區城東片區開發項目一包)	59.7
2	Zhengzhou Digital District (CDD) Construction EPC Project (鄭州中央數字區(CDD)建設項目EPC工程)	58.7
3	EPC General Contract for Advanced Electromechanical Equipment and Logistics Industrial Park Project (Phase I) in Chongqing Hub Port Industrial Park (重慶樞紐港產業園先進機電裝備和物流產業園項目(一期)EPC工程總承包合同)	42.3
4	EPC General Contract Project for Lot 3 of Computility Industrial Park in Zhengdong New District (鄭東新區算力產業園三號地塊EPC總承包項目)	35.5
5	EPC Contract for Zhongyuan High Speed Railway Port Digital Trade and Exhibition City Project in Zhengzhou City (鄭州市中原高鐵路數字展貿城項目工程總承包(EPC)合同)	33.5
6	Urban Renewal and Construction Project in Wujiagang District, Yichang City (宜昌市伍家崗區城市更新建設)	31.4
7	General Contracting for Survey, Design, and Construction of the Comprehensive Renovation Project of the Old Village of Lingtou Company (Reconstruction and Resettlement Area Construction) (嶺頭公司舊村全面改造項目(復建安置區建設)勘察設計施工總承包)	26.7
8	EPC (Production and Processing Portion) Contract for Section II of General Contracting for Design, Construction, Equipment Procurement for 300,000 tonnes per annum of Calcium Carbonate Series Products Project in Panzhou, Liupanshui City, Guizhou Province (貴州省六盤水市盤州市年產30萬噸碳酸鈣系列產品項目設計、施工、設備採購總承包二標(EPC)總承包(生產加工部分)合同)	24.4
9	Shenyang International Smart Health City Project (沈陽國際智慧健康城項目)	24.2
10	Construction Contract for Zigong to Luzhou Port Highway Engineering Phase II Project (自貢至瀘州港公路工程二期項目施工合同)	23.9
11	EPC Contract for LNG Long-distance Pipeline Project (Penglai-Qixia Expressway-7# Valve Chest) in West Port of Yantai Port (煙台港西港區LNG長輸管道工程蓬萊高速-7#閘室)工程總承包(EPC)合同)	22.8
12	EPC Contract for the Design and Construction of the Industrialization Project of Distributed Intelligent Energy Storage and Exchange System in Xiangxi Tujia and Miao Autonomous Prefecture (湘西土家族苗族自治州分佈式智能儲能交換系統產業化項目設計施工總承包(EPC)合同)	22.4
13	Construction Contract of No. 55 Plot Project in Shijiazhuang High-Speed Rail Area (石家莊市高鐵路片區55號地塊項目工程施工合同)	17.9
14	Engineering General Contracting (EPC) for the Construction Project (Phase I) of Science and Technology New Energy Industrial Park in Zhengzhou Airport Economic Comprehensive Experimental Zone (鄭州航空港經濟綜合實驗區科創新能源產業園建設項目(一期)工程總承包(EPC))	16.6
15	Civil Construction Contract Section 22 (Hebei Section) of Langfang Rail Transit Line 22 (Pinggu Line) Project (北京軌道交通22號線(平谷線)工程土建施工22合同段(河北段項目))	15.3
16	General Engineering Contract for Jingdong Shenzhen Headquarters Building (京東深圳總部大廈施工總承包工程合同)	14.8
17	EPC General Contract for Municipal Infrastructure Construction Project of Panlong River Industrial New City (Tiexi Area) in Zaozhuang City (棗莊市蟠龍河產業新城(鐵西片區)市政基礎設施建設項目EPC總承包)	13.3
18	Contract for the Long-distance Heating Pipeline Network Project from Shahe Power Plant to Xianghe Street (沙河電廠至祥和大街長輸供熱管網工程合同)	12.6
19	EPC Contract for LNG Long-distance Pipeline Project (Zouping Offtake Station – Qihe Offtake Station) in West Port Area of Yantai Port (煙台港西港區LNG長輸管道工程鄒平分輸站—齊河分輸站)工程總承包(EPC))	11.9
20	Construction General Contracting for 10GW per annum of Shandong Ruitai Zhichuang High-Efficiency New Cell Project (山東瑞泰智創年產10GW高效新型電池片項目施工總承包)	11.9
21	EPC Project for the Construction of Nanoscale Silicon Carbon Negative Electrode Material Industrial Park and Supporting Facilities of Anhui Bangderui New Material Technology Co., Ltd. in Huaining Economic Development Zone of Anqing City (安慶市懷寧經濟開發區安徽邦德銳新材料科技有限公司納米級硅碳負極材料產業園及配套設施建設EPC項目)	10.8
22	Construction Contract for TJ03 Section of Hangzhou Bolu to Renhe Section (Yuhang Section) of National Highway 320 (320國道杭州博陸至仁和段工程(餘杭段)第TJ03標段施工項目)	10.4
23	Contract for G212 Zhaohua Urban Bypass Highway Project (including Hanjiaya Tunnel) (G212昭化城區過境公路(含韓家壩隧道)合同)	10.3

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No.	Name of Project (Contract)	Contractual Amount (RMB100 million)
24	Engineering General Contracting for the Reserved Small Garage for Development of Cover Plate in Yanjiao Vehicle Base of Beijing Metro Line 22 (北京軌道交通22號線燕郊車輛基地蓋板開發預留小車庫項目施工總承包工程)	10.0
25	AB Area Project of Lingbi Bearing Industry Base in Suzhou City (宿州市靈璧軸承產業基地AB區項目)	10.0
26	Construction Project the Three Five One Five Shoe Manufacturing Supply Chain Industrial Park in Zhaoling District, Luohe City (漯河市召陵區三五五制鞋供應鏈產業園建設項目)	10.0
Overseas projects		
1	Sentosa Coastal Area Hotel Expansion Project in Singapore (新加坡聖淘沙濱海區域酒店擴建項目)	109.0
2	Contract for Steel Structure Supply and Installation Subcontracted Work of CEER Electric Vehicle Manufacturing Plant Project in Saudi Arabia (沙特CEER電動汽車製造廠項目鋼結構供貨與安裝分包工程合同)	21.2
3	Indonesia Tangerang 1800tpd Municipal Solid Waste Incineration Power Generation Project (印尼唐格朗1800tpd生活垃圾焚燒發電項目)	15.5
4	Anderson Road Quarry Site Development Project (安達臣道石礦場用地發展項目)	7.4
5	Renovation and Expansion Project of the Ndaye International Airport in Burundi (Aid Project)(援布隆迪恩達達耶國際機場改建項目)	3.3
6	Desulfurization and Denitrification Project for the Power Generation Facility of Indonesia Tsingshan Stainless Steel Co., Ltd. (印尼青山不銹鋼有限公司發電項目脫硫脫硝工程)	3.1

(II) Featured Business

Relying on the technical advantages in metallurgical construction, the Company continuously extends and expands its business areas, has developed distinctive strengths in areas such as mineral resources and new materials, engineering services, high-end equipment and energy and environmental protection, striving to cultivate new industrial pillars and profit growth points, and continuously improve the added value of our products and services to achieve differentiated development.

Overall operating results of the featured business in 2024

Unit: RMB'000

	2024	% of the total	2023	Year-on-year increase/decrease
Segment operating revenue	38,165,798	6.83%	38,796,443	-1.63%
Gross margin (%)	17.11	—	18.48	Decreased by 1.37 percentage points

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

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1. *Mineral resources and new materials business*

The mineral resources and new materials business is the Company's important and featured business, primarily including mine development, as well as production, processing, and research and development of new materials. The Company's mineral resources business mainly centers on the exploration, mining, ore processing and smelting etc. for nickel, cobalt, copper, lead, zinc and other metal mineral resources, and most of the products produced, such as nickel and cobalt hydroxide, crude copper, zinc concentrates, lead concentrates, and so on, are transported back to China for sale to the downstream refining and processing customers in a stable manner. The Company's new material products mainly include silicon-based materials, scandium alum, refractory materials, semiconductor materials, welding materials, and new building materials, of which new silicon-based materials are one of the strategically emerging businesses that the Company focuses on cultivating and deploying. The Company's subsidiary Sinosico makes "bottleneck" technology breakthroughs in line with national strategic needs, and has developed over 20 new high-end silicon-based material products, which have been successfully applied in integrated circuit and optical communication enterprises. These products not only achieve import substitution but are also exported to overseas countries and regions, establishing the Company as a highly competitive and influential electronic information material production enterprise both domestically and internationally.

During the Reporting Period, the details on the progress of the Company's major mineral resource new material projects in production and to be constructed are as follows:

- (1) Papua New Guinea Ramu Nico Mine Project: At the end of the Reporting Period, benefiting from the exploration and prospecting achievements within the mining rights area, the estimated retained nickel resources of the project further increased to 1.842 million tons, and cobalt resources increased to 209,000 tons. During the Reporting Period, due to the impact of technical renovation and maintenance within the annual plan and the major equipment overhaul in the third quarter, the production rate and output decreased year-on-year. The cumulative production of nickel-cobalt hydroxide contained 28,669 tons of nickel and 2,625 tons of cobalt, while the sales of nickel-cobalt hydroxide contained 30,523 tons of nickel and 2,793 tons of cobalt. The project achieved an operating revenue of RMB2.97 billion and a total profit attributable to the Chinese party of RMB460 million.
- (2) Pakistan Saindak Copper-Gold Mine Project: At the end of the Reporting Period, the estimated retained copper resources of the project amounted to 1.809 million tons. During the Reporting Period, the mining and beneficiation operations maintained stable and exceeded production targets, with an average production rate of 124.6%. The smelting process produced 23,865 tons of blister copper, achieving an average production rate of 119.3%. A total of 22,760 tons of blister copper were sold, marking a historic high in annual production and sales volume for the project. The project achieved an operating revenue of RMB1.74 billion and a total profit attributable to the Chinese party of RMB203 million.
- (3) Pakistan Duddar Lead-Zinc Mine Project: At the end of the Reporting Period, the estimated retained lead resources of the project amounted to 321,100 tons, and zinc resources totaled 642,900 tons. The progress and interim results of the supplementary exploration in the northern part of the mining area met expectations, and it is anticipated that the lead and zinc resources will double by 2025. During the Reporting Period, the project accomplished 513,000 tons of mine output, with an average production rate of 102.6%. The project cumulatively produced lead concentrates containing 8,359 tons of lead and zinc concentrates containing 40,941 tons of zinc. The project sold lead concentrates containing 8,404 tons of lead and zinc concentrates containing 42,641 tons of zinc, achieving operating revenue of RMB760 million and total profit attributable to the Chinese party of RMB250 million.

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- (4) Pakistan Saindak Copper Mine Project: During the Reporting Period, the exploration team of the project continued to advance various preliminary development works. Currently, all relevant approval procedures in Pakistan have been applied for and are mostly approved. The prospects for increasing reserves and production are promising. The Company will continue to carry out scientific research, development planning, and exploration activities for the Saindak Copper Mine Project.
- (5) Afghanistan Aynak Copper Mine Project: During the Reporting Period, the project conducted supplementary exploration in the western mining area (Phase II), upgrading the resources in the western mining area to the exploration level, and adding 1.28 million tons of copper resources, thereby increasing the total resources of the project to 12.36 million tons. The Company is maintaining close communication with the Afghan interim government and plans to expedite the completion of preliminary preparations, including the demonstration of the project feasibility study, and the construction of access roads to the mining site. These efforts aim to create favorable conditions, improve the investment outcomes of the project, and ensure substantive progress in collaboration with the Afghan interim government as soon as possible.
- (6) Sinosico New Silicon-based Materials Project: Sinosico, the subsidiary of the Company, primarily engages in the production, research and development, and sales of high-purity polysilicon, high-purity silicon tetrachloride, electronic gases, and other silicon-based materials, while also providing technical services. As an outstanding innovative enterprise in China's electronic information industry and a high-tech enterprise, Sinosico has established a National Engineering Research Center for Silicon-Based Material Preparation Technology, a National Energy Metal Resources and New Materials Key Laboratory, two provincial-level R&D platforms, and a postdoctoral research workstation. Sinosico has undertaken 26 key projects, including those under the National 863 Program, the Science and Technology Support Program, the Key Industrial Revitalization and Technological Transformation Initiative, the Industrial Base Enhancement Project, the Industrial Base Reconstruction Initiative, and the High-Quality Development of Manufacturing Special Project. Numerous achievements have filled domestic gaps, resulting in 265 authorized patents. Additionally, Sinosico has led the formulation of 73 international, national, and industry standards. By leveraging its proprietary intellectual property, Sinosico has broken through foreign technological blockades and market monopolies, driving the development of the new energy industry and enabling China's polysilicon sector to grow from scratch and dominate the global market. During the Reporting Period, Sinosico sold a cumulative total of 281.93 tons of electronic-grade polysilicon for melting/pulling, 9031.75 tons of silicon tetrachloride for optical communications, 877.32 tons of silicon-based electronic specialty gases, and 59.77 tons of silicon carbide, achieving an operating revenue of RMB230.7543 million.

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2. *Engineering services business*

The Company's engineering services business mainly comprises engineering management, engineering supervision, engineering investigation, quality inspection technology, information technology, whole-process consultation, etc. The Company's engineering services business focuses on "optimizing models, expanding fields, and nurturing capabilities" as its development priorities, with "digitalization, informatization, intelligence, greening, and low carbonization" as its development direction. It is committed to transitioning from traditional single-project technical services to providing intelligent "butler" services for the safety of buildings and structures in the parks/factories. After years of accumulation and development, the Company has established industry-leading advantages in numerous fields, including engineering survey, mapping, whole-process engineering consultation (including engineering supervision, cost consulting), engineering services (urban renewal, urban and rural planning, high-end consulting, full life cycle services), comprehensive pipe rack and pipe network and underground space design, smart pipe rack operations, venue operations, power design, new-generation information technology (smart cities, smart government, cloud services, digital infrastructure construction, intelligent manufacturing, digital information products, industrial internet platforms), inspection, testing and evaluation, certification, smart steel plants, and ropeway engineering design, successfully developing a number of market-renowned brands such as "CISDI", "MCC Capital", "WISDRI", "China ENFI", "CIE" and "MCC Inspection". In the future, the Company will continue to focus on its core competitive areas, moving towards intelligent, green, and integrated directions, extending its distinctive technical advantages to the high-end industrial chain, and continuously creating a second growth curve.

3. *High-end equipment business*

With the high-end equipment business as the "solidified stabilizer" of the national team for metallurgical construction, the business of the Company mainly includes the manufacturing of specialized metallurgical equipment and non-metallurgical equipment (including general and specialized equipment); industrial steel structures, civil building and infrastructure steel structures, residential industrialization, prefabricated component manufacturing (mainly including metallurgical equipment core manufacturing and assembly integration, and manufacturing business of components for ultra-high-rise, municipal, bridges, marine and other high-end steel structures, complex industrial steel structure, residential industrialization, prefabricated housing, etc.). The main products include steel structures, metal processing machinery, materials handling equipment, metallurgical equipment, and construction equipment. The Company's core equipment business focuses on metallurgical equipment, and operates in multiple core manufacturing bases including CISDI Equipment Base, MCC-SFRE Equipment Base, CIE Heavy Industry Base, and WISDRI Equipment Base, with products covering key process equipment of metallurgy such as sintering and pelletizing, iron-making and steelmaking, casting and rolling. Company's "MCC Heavy Machinery" provides professional metallurgical large logistics equipment for the metallurgical market, and has formed a metallurgical large logistics equipment cluster represented by pot carriers, environmentally-friendly welded slag cars, charging cranes and other special equipment, of which pot carriers have a domestic market share of 80%. The brand reputation of "MCC Casting Mould" under the Company continues to grow. Its independently developed ingot moulds and castings, hot extrusion moulds, isothermal forging moulds, and forging press moulds are widely used in domestic metallurgical equipment, aerospace, transportation, oil exploration, nuclear power industry, and weaponry sectors. Among these, the isothermal forging moulds have been recognized as "China's Most Competitive Product in the Metallurgical Industry". The Company is in the international leading and domestic first-class level in the field of R&D and manufacturing of metallurgical industrial furnaces, providing important

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support for the localisation of complete sets of equipment for metallurgical industrial furnaces. The Company's production scale of blast furnace carbon bricks ranks first in the world. The entire production process employs information-based management, ensuring uniform and stable product quality. The performance indicators of the products meet or exceed those of comparable imported products. The Company is in a leading position in the domestic market in terms of comprehensive steel structure technology, with the advantage of integrating the whole industrial chain, including R&D, design, manufacturing, installation, inspection and supervision, and its steel structure products are exported to more than 30 countries and regions. The Company has successfully developed the sub-brand of "MCC Steel Structures", which enjoys recognition both at home and abroad.

4. *Energy and environmental protection business*

Relying on the brand advantage of "MCC" and the leading professional and technical advantages of the professional technology research institute, the Company kept focusing on the favorable opportunities for green and low-carbon development, continued to develop the field of energy and environmental protection, and built up an environmental full industry chain including planning and consulting, R&D and design, investment and development, equipment manufacturing, engineering and construction, operation and management, investment and financing services, etc., with its scope of business covering sewage treatment, channel improvement, waste incineration, clean energy, soil treatment, mine rehabilitation, ecological city, beautiful countryside, seawater desalination and other construction engineering business (including wind, solar and electrical energy storage, eco-environmental restoration, air pollution prevention and control, industrial energy saving, waste disposal, resource utilization of industrial wastewater and waste liquid, water environment treatment, etc.). "MCC Ecological Environmental Protection", the Company's water and environmental protection business platform, serves as a "National High-Tech Enterprise" and a "Beijing Enterprise Technology Center". It currently operates 57 water plants with a total design capacity exceeding 3.5 million tons per day, spread across nine provinces and cities including Beijing, Shandong, Jiangsu, Anhui, Hubei, Henan, Hebei, Fujian, and Gansu, with the scale of water treatment ranked among the top of construction central enterprises. The Company possesses several national-level research platforms including the National Engineering Research Center of Industrial Environmental Protection, the National Key Laboratory of Environmental Protection in the Steel Industry, and the National Environmental Protection Engineering Technology Center for Pollution Prevention and Control in the Steel Industry, and has mastered a variety of core technologies and equipment in environmental protection areas covering the entire process of steel production, such as water conservation, sewage treatment, and wastewater recycling in the steel industry, flue gas dust removal and purification, gas recovery and utilization, steel slag treatment and resource utilization, energy conservation, and utilization of low-quality heat sources. The related technological achievements and business models have been successfully applied to over a hundred projects, including Baosteel Zhanjiang Iron and Steel (寶鋼湛江鋼鐵) and Formosa Plastics Steel Plant in Vietnam (越南台塑鋼廠), setting an exemplary model for promoting the development and upgrading of China's environmental protection industry. In recent years, leveraging its traditional business strengths, the Company has actively expanded into new energy sectors such as "Photovoltaic +" and "Energy Storage +". Its initiatives cover production-side wind and solar power generation and hydrogen production plants, storage-side underground distributed hydrogen storage and rock cavern hydrogen storage, transportation-side natural gas blending with hydrogen and high-pressure pure hydrogen delivery, as well as consumption-side hydrogen refueling stations, hydrogen-based chemical production, and hydrogen-power grid coupling for peak shaving. During the Reporting Period, the Daye Deep Rock Cavern Hydrogen Storage Project, invested in and constructed by the Company's subsidiary MCC Wuhan Surveying, commenced construction, marking China's first practical application of rock cavern hydrogen storage technology.

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The operating revenues of each segment for the featured businesses of the Company and the proportion accounting for the total income of the featured business were as follows:

Unit: RMB'000

Item of revenue	2024	Proportion (%)	2023	Proportion (%)	2022	Proportion (%)
	Amount		Amount		Amount	
Mineral resources and new materials business	6,418,982	16.82	6,816,080	17.57	8,866,005	21.73
Engineering services business	3,485,725	9.14	3,345,511	8.62	3,118,420	7.64
High-end equipment business	14,088,882	36.91	15,149,730	39.05	14,232,035	34.89
Energy and environmental protection	14,172,209	37.13	13,485,122	34.76	14,579,219	35.74

During the Reporting Period, the featured business projects tendered and entered into by the Company are as follows:

No.	Name of Project (Contract)	Contractual Amount (RMB100 million)
1	Ecological Restoration of the Old Changjiang River Course Area and Fishery Production Zone Renovation with Tailwater Comprehensive Treatment Project in Shishou City (石首市老河長江故道區域生態修復及漁業生產區改造與尾水綜合治理工程)	5.1
2	Design and Construction EPC Contract for the National Reserve Forest Construction Project (Afforestation and Forest Management Engineering) in Peng'an County, Nanchong City (南充市蓬安縣國家儲備林建設項目(營造林建設工程)設計施工總承包)	4.4
3	Soil Remediation Project for Plot 1135 of Phase 3 (Former Wuhan Yuanda Pharmaceutical and Second Wire and Cable Factory) in Qiaokou District, Wuhan City (武漢市礄口區1135片3期(原武漢遠大製藥、第二電線電纜廠)地塊土壤修復項目)	2.3
4	Contract for ESP Steel Rolling Intelligent Application Software Product and Technology Development for the Full-Process Smart Factory Steel Rolling Project of Rizhao Steel Holding Group Co., Ltd. (日照鋼鐵控股集團有限公司全流程智能工廠鋼軋項目ESP鋼軋智能應用軟件產品及技術開發合同)	0.4
5	Supervision for Section 15506 of the Shenzhen Urban Rail Transit Line 15 Project (深圳市城市軌道交通15號線工程監理15506標)	0.3
6	Technical Service Contract for Procurement and Installation of Permanent Instrumentation Systems for Units 1 and 2 of the Zhejiang Jinqimen Nuclear Power Plant Nuclear Island (浙江金七門核電廠1、2號機組核島永久性儀錶系統採購及安裝技術服務合同)	0.2

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(III) Comprehensive Real Estate

The Company is one of the first 16 central enterprises in the real estate sector determined by the SASAC. Its subsidiary MCC Real Estate, a specialized real estate enterprise, holds national top-level qualifications in both real estate development and property management. During the Reporting Period, the Company accurately seized the opportunities presented by significant adjustments in real estate policies, prioritizing the mitigation of existing projects and implementing multiple measures to accelerate inventory destocking. In 2024, the amount invested by the Company in real estate development was RMB11.05 billion; the construction area was 7,789,000 square meters, of which the new construction area was 325,000 square meters, while completed area was 2,649,000 square meters; contracted gross floor area sold amounted to 610,000 square meters, with contracted sales of RMB9.89 billion. In the future, the Company will continue to uphold the principle of steady development, treating the prevention of business risks as a bottom-line requirement. Building on the established goal of “destocking and controlling increment”, the Company will focus on cash flow management, placing the safeguarding of the capital chain security at the forefront. Centered on the construction of “good houses, good neighborhoods, good communities, and good urban areas”, the Company will concentrate on high-quality residential development, revitalize existing land resources, and carry out real estate development business with a selective, targeted, strategic, and forward-looking approach. Accelerating its strategic layout, the Company will regard entering the light-asset business as a long-term pathway, and speed up the transition from purely commercial real estate development to a new development model centered on management capabilities and value-added service revenues, to steadily build an emerging real estate business structure dominated by development and construction agency, commercial operations, and property management.

Overall operating results of the comprehensive real estate business in 2024

Unit: RMB'000

	2024	% of the total	2023	Year-on-year increase/decrease
Segment operating revenue	18,752,727	3.35%	16,519,397	13.52%
Gross margin (%)	3.92	—	7.89	Decreased by 3.97 percentage points

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

IV. ANALYSING ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Sustained Technological Research and Innovation-driven Capabilities

The Company has a relatively complete system of technological innovation in the fields of metallurgical construction, non-ferrous metallurgy, mineral resources and infrastructure construction, and is committed to the research, development and applied transformation of original and leading technologies. By the end of December 2024, the Company has 17 research and design units, 28 national research platforms, 15 technology research institutes, more than 55,000 patents, 9 “Demonstration Enterprises of Science Reform” and “Dual Hundred” enterprises, 6 national level manufacturing single champions, and 10 specialized and sophisticated “little giant” enterprises. The Company has participated in the formulation of 79 international standards and 686 national standards. The Company not only has a very high influence in the metallurgical construction industry, but also shows a strong development potential in green low carbon, intelligent construction and other emerging fields. With the industry-leading proprietary patented technologies and the multidisciplinary, multispecialty system integration capabilities across the whole industrial chain, the Company will accelerate the research, development, and application of green, and intelligent technologies, continuously enhancing the competitiveness in both domestic and international markets.

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(II) Distinctive Integrated Service Capabilities of the Whole Industrial Chain

The Company possesses unique system integration capabilities across the entire industry chain. Supported by 12 Class A research and design institutes, 15 large-scale construction enterprises, 5 comprehensive Class A design qualifications, 3 comprehensive Class A survey qualifications, 8 comprehensive supervision qualifications, and 49 special-grade construction qualifications for general contracting, the Company has formed a high-level and diversified qualification matrix. The Company possesses a whole-process, all-aspect and complete construction industrial chain covering technological research and development, consulting and planning, surveying and mapping, project design, project supervision, civil construction, installation and adjustment, operation and management, equipment manufacturing and integration, technological service and import and export trade. As compared with general engineering design enterprises, project construction enterprises or equipment manufacturing enterprises, the Company is able to carry out resource integration on its whole industrial chain and to provide more comprehensive and integrated services to customers. Furthermore, by effectively leveraging the “Five Linkages” integration of internal units, the Company strengthens the synergistic development and complementary advantages of upstream and downstream sectors of the industry chain, enhancing the market competitiveness in comprehensive projects.

(III) Dominant Leading Edge in Providing Overall Solutions for Metallurgical Construction and Operation

As the world’s largest and strongest metallurgical construction contractor and metallurgical enterprise operation service provider, the Company has absolute competitive advantages and a leadership position in the field of metallurgical engineering. The Company possesses globally leading technological capabilities in the field of metallurgical engineering, having accumulated core technical strengths and design-construction capabilities throughout all aspects of metallurgical engineering, especially in the blast furnace, converter, steel rolling and other aspects of independent core technology. The Company owns all the largest and strongest metallurgical design institutes in the forefront of the domestic metallurgical engineering field, and has led the planning, design and construction of almost all large and medium-sized metallurgical complex enterprises in China. The Company holds the vast majority of the domestic metallurgical market share and possesses a global share that far surpasses competitors, solidifying the unshakable market influence.

(IV) Strengthened Business Structure of “One Core and Multiple Related Businesses” for Better Anti-risk Capability

The Company’s business structure is characterized by “one core and multiple related businesses”, which has obvious advantages in improving enterprise’s anti-risk ability, strengthening business synergies, and enhancing development resilience. The Company has maintained a leading competitive advantage in the core business of metallurgical construction for a long time, and built a solid “moat” with a high market share and a stable customer relationship network. On this basis, the Company actively expands the business fields such as housing construction, municipal infrastructure, mineral resources, new energy materials, energy and environmental protection, and developed a large number of international first-class technologies in the construction of highways under complex geological conditions, large and deep foundation pits under special geological conditions, super high-rise buildings, super long-span constructions, and super large complex and high-precision electromechanical system engineering. Additionally, the Company has established advanced technological advantages in specialized fields such as mineral resource and new materials, engineering services, high-end equipment, and energy and environmental protection business, forming a diversified business system characterized by “One Core, Two Main Bodies and Five Features”. The Company’s diversified business structure effectively reduces fluctuations and disperses the overall business risk. At the same time, by sharing technology, customer resources and supply chains among related businesses, the Company will further reduce operating costs, improve overall competitiveness, and provide strong support for expanding the space in emerging markets.

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(V) Soft Power of Inherited and Evolving Corporate Culture

The Company's history can be traced back to the earliest force in the construction of the iron and steel industry in New China, serving as a pioneer and mainstay of the Chinese iron and steel industry. Since its involvement in the construction of Angang Steel, the "cradle of China's iron and steel industry", in 1948, to the development of WISCO, Baotou Steel, Taigang, Pangang, Baosteel and others, it has undertaken the planning, survey, design, and construction of the main production facilities for nearly all large and medium-sized iron and steel enterprises domestically. It is the foundation of New China's "steel and iron bones". Thus, the Company has accumulated an excellent tradition characterized by bravery, courage, solidarity and struggles, and courage to rise to challenges, which has become the Company's great spiritual wealth. The Company anchors the Goals for "one building, two most, five strong" and unites people's mind with the vision of "Beautiful MCC", and leads all cadres and staff to work together and strive for progress with simplicity and honesty, responsibility, refreshing and righteous and striving for the first place. It was the mark of anew burst of vitality again. The excellent corporate culture formed and precipitated in this process is the unique winning weapon of the Company and the strong spiritual force for the long-term development of the Company, which has become an important component of the core competitiveness of the Company.

V. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD

During the Reporting Period, the operating revenue of the Company amounted to RMB552,024,638 thousand, representing a year-on-year decline of 12.91%, the total profit amounted to RMB9,254,538 thousand, representing a year-on-year decline of 32.77%; and the net profit attributable to shareholders of parent company amounted to RMB6,745,954 thousand, representing a year-on-year decline of 22.20%.

(I) Analysis on major operating business

1. Analysis on the changes in the relevant items in income statement and cash flow statement

Unit: RMB'000

Items	Amount for the current year	Amount for the prior year	Change in proportion (%)
Operating revenue	552,024,638	633,870,422	-12.91
Operating costs	498,543,592	572,456,849	-12.91
Selling expenses	3,063,315	3,169,316	-3.34
Administrative expenses	11,830,595	12,360,311	-4.29
Financial expenses	1,078,705	989,121	9.06
Research and development expenses	16,406,225	19,730,402	-16.85
Net cash flows from operating activities	7,847,704	5,891,801	33.20
Net cash flows from investing activities	(9,582,031)	(6,724,503)	N/A
Net cash flows from financing activities	11,059,823	1,156,118	856.63

Detailed statement of the major changes in the Company's business types, profits structure or profits sources for the current period

☒ Applicable ☐ Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Name of index	Change (%)	Main reason
Operating revenue	-12.91	Affected by external factors such as the continuous decline in demand in the iron and steel industry, sluggish growth in the construction industry and the deep adjustment in the real estate industry, coupled with the periodic factors such as the business structure adjustment brought about by the Company's transformation and upgrading, the Company's operating revenue declined.
Net profit attributable to Shareholders of the listed Company	-22.20	The Company's profit decreased in line with the reduction in operating revenue, and due to the deep adjustment in the real estate industry, the risk of debt recovery from private real estate companies further increased, and the Company made additional provisions for impairment on real estate inventory and debts from private real estate companies, resulting in a significant decline in profit.
Net cash flow generated from operating activities	33.20	The Company seized the opportunity of government debt resolution, increased efforts to recover payments, and at the same time, vigorously reduced various costs and expenses, resulting in a year-on-year increase in the net cash flow generated from operating activities.
Net cash flow generated from financing activities	856.63	Mainly due to the increase in net cash flow from financing activities to meet the Company's daily operations.

2. Analysis on revenue and costs

(1) Analysis on the factors causing the changes in business revenue

The Company's financial position and business performance were subject to the combined impact of multiple factors, including changes in international and domestic macroeconomic environment and China's financial and monetary policies and the development status of the industry in which the Company was operating in and the implementation of adjustment and control measures of the industry imposed by the state:

1) Trend of macro-economy internationally and domestically

At present, the international political and economic situation remains complicated and volatile, with many unstable and uncertain factors. The Company's various business operations are affected by the international and domestic macroeconomic environment, and business links such as procurement, production and sales of the Company may also be affected by the trends of international and domestic macroeconomics, which further leads to fluctuations in the results of operations of the Company. The business income of the Company are derived primarily from the PRC. In different domestic economic cycles, the performance of the Company's business operations may vary.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

- 2) Changes in the policies of industry in which the Company was involved and demands of its domestic and overseas markets

The Company's engineering contracting, featured business and comprehensive real state were all influenced by the policies of the industry. With the release of the MIIT's Notice on Suspension of Iron and Steel Capacity Replacement Work* (《關於暫停鋼鐵產能置換工作的通知》), the iron and steel industry is facing new challenges in the relationship between supply and demand, with new requirements for the policy of capacity replacement in respect of green and low carbon, structural adjustment, layout optimisation, mergers and acquisitions, etc.; affected by the downturn economic growth, the local government's implicit debt control, the tight issuance of special bonds, the policy adjustment of the PPP model, and other factors, together with overcapacity in non-steel engineering market and the intensified "Matthew Effect", market competition will be more intense. The real estate industry has experienced significant changes in the relation between supply and demand. At the same time, there was significant fluctuations of prices of mineral products globally. Changes in the above-mentioned national policies, market changes and periodic fluctuations of the industries and changes in the operating situation of upstream and downstream enterprises of the industries all guide the adjustment of the Company's business segment and the layout of market areas to a certain extent, which thereby affected the Company's internal business structure and in return affected its financial position.

Both items 1) and 2) above were the major risk factors that impacted the Company's performance in 2024.

- 3) Changes in the State's tax policy and exchange rates

① Impact from changes in the tax policy

The Company's operating results and financial position were influenced by changes in the State's tax policy through the impact of tax burdens of the Company and its subsidiaries. The preferential tax policy for the development of the western regions and the preferential tax policies for hightech enterprises currently enjoyed by some of the Company's subsidiaries may undergo some changes following the changes in the PRC's tax policies. Changes in the relevant preferential tax policies would affect the Company's financial performance.

② Impact of the fluctuations in exchange rate and monetary policy part of the Company's business revenue came from overseas markets

Changes in the exchange rates may bring exchange rate risks to the Company's overseas business revenue and currency settlement. In addition, adjustment in banks' deposit reserve ratio and changes in the benchmark interest rates for deposits and loans would affect the Company's financing costs and interest income.

- 4) Overseas tax policies and their changes

The Company operates in many overseas countries and regions and pays various taxes. Since the tax policies and environments are different in various places and the regulations of the various taxes, including enterprise income tax, tax of foreign contractors, individual income tax and interest tax, are complicated and diversified, the Company's overseas business may incur corresponding risks due to tax policies and the changes thereof. Meanwhile, the tax treatment for transactions and matters related to certain operating activities may require enterprises to make corresponding judgment because of the uncertainty of such tax treatment.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

5) Changes in major raw materials prices

The Company's engineering contracting, and comprehensive real state businesses require raw materials including steel, wood, cement, explosive initiators, waterproof materials, earthwork materials and additive agents while the Company's featured business requires steel and electronic parts, etc. Changes in the prices of the aforementioned raw materials due to factors such as supply, market conditions and costs on materials will impact the Company's costs of the corresponding raw materials and consumables.

6) Construction subcontracting expenses

The Company may, according to the different situations of engineering contracting projects, subcontract non-crucial construction parts to subcontractors. On one hand, subcontracting boosted the Company's capacity to undertake large-scale projects and to fulfil contracts flexibly. On the other hand, the management of subcontractors and the control of subcontracting costs may also affect profit on projects of the Company.

7) Enhancement in the quality of operational management

The quality of operational management will significantly affect the results of the Company. The Company is actively committed to serving the national strategy, the Company's strategic vision, the high-quality development of the enterprise and the Goals for "one building, two most, five strong", continuing to optimize the "One Core, Two Main Bodies and Five Features" business system, and promoting the three years action to enhance the basic management, and further improving the governance and internal control operation of the Company. We will further improve corporate governance and internal control operations, and strengthen business management and risk control, through systematic reform and innovation, as well as scientific decision-making to stimulate the Company's vitality and creativity, and achieve a simple, efficient and effective management and control system. Whether these management objectives can be effectively implemented will also influence, to quite a large extent, the improvement in the operating results of the Company.

8) Uneven distribution of revenue

The Company's operating revenue is mainly derived from the engineering contracting business. Since the income of such business is affected by factors such as government's project approval, public holidays and the "frozen period" in the north, the distribution of revenue is uneven.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(2) Major business by segment, product, region and sales mode

Unit: RMB'000

Situation on Major Business by Segment						
Segment	Operating revenue	Operating costs	Gross margin	Increase or decrease in the operating revenue as compared to that of last year	Increase or decrease in the operating costs as compared to that of last year	Increase or decrease in the gross margin as compared to that of last year
			(%)	(%)	(%)	(%)
Engineering contracting	501,450,181	455,113,796	9.24	-14.35	-14.50	Increased by 0.15 percentage point
Featured business	38,165,798	31,634,538	17.11	-1.63	0.02	Decreased by 1.37 percentage points
Comprehensive real estate	18,752,727	18,017,799	3.92	13.52	18.41	Decreased by 3.97 percentage points

Situation on Major Business by Region						
Region	Operating revenue	Operating costs	Gross margin	Increase or decrease in the operating revenue as compared to that of last year	Increase or decrease in the operating costs as compared to that of last year	Increase or decrease in the gross margin as compared to that of last year
			(%)	(%)	(%)	(%)
PRC	523,889,122	474,605,896	9.41	-13.77	-13.93	Increased by 0.17 percentage point
Other countries/regions	28,135,516	23,937,696	14.92	6.77	13.63	Decreased by 5.14 percentage points

Note: The statistics of segment revenue and costs are figures before inter-segment eliminations.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Explanation of major business by segment, product, region and sales mode

1) Explanation on Major Business by Segment

① Engineering contracting business

Engineering contracting business mainly comprises metallurgical construction business, housing construction and municipal infrastructure engineering business. Among these, metallurgical construction business is the Company's traditional core business, while housing construction and municipal infrastructure engineering businesses are the Company's main businesses. Engineering contracting business is mainly carried out by way of EPC contract and general financing and construction contracting contract, and is currently the major source of income and profits of the Company. The gross profit margins of the engineering contracting business for the years 2024 and 2023 were 9.24% and 9.09%, respectively, with a year-on-year increase of 0.15 percentage point.

② Featured business

The Company's featured businesses mainly include mineral resources and new materials, engineering services, high-end equipment, and energy and environmental protection. For the years of 2024 and 2023, the overall gross profit margin of the Company's featured business was 17.11% and 18.48%, respectively, with a year-on-year decrease of 1.37 percentage points.

③ Comprehensive real estate business

For the years of 2024 and 2023, the overall gross profit margin of the Company's comprehensive real estate business was 3.92% and 7.89% respectively, with a year-on-year decrease of 3.97 percentage points. The decrease was mainly due to the impact of the current cyclical adjustment of the real estate industry and other factors.

2) Explanation on Major Business by Region

For details, please refer to Note XIV.1 "Segment Information" in "Financial Report" of this report.

(3) Table of production and sales volume analysis

☐ Applicable ☒ Not applicable

(4) Performance of major purchase contracts and major sales contracts

☐ Applicable ☒ Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(5) Table of cost analysis

Unit: RMB'000

Segments	Costs component	By segment				Percentage change in the amount for the current period as compared to that for the same period in the previous year (%)
		Amount for the current period	Proportion of the amount for the current period to the total costs (%)	Amount for the same period in the previous year	Proportion of the amount for the same period in the previous year to the total costs (%)	
Engineering contracting	Operating costs	455,113,796	90.07	532,284,337	91.81	-14.50
Featured business	Operating costs	31,634,538	6.26	31,626,819	5.46	0.02
Comprehensive real estate	Operating costs	18,017,799	3.57	15,216,540	2.62	18.41

Note: The statistics of segment cost are figures before inter-segment eliminations.

The major components of cost used in engineering contracting project of the Company are as follows:

Unit: RMB'000

Items of cost	2024		2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Subcontracting expenses	257,647,816	56.61	295,270,204	55.47
Materials expenses	136,533,953	30.00	176,804,089	33.22
Labour costs	30,409,320	6.68	21,659,329	4.07
Machinery usage fees	7,102,212	1.56	9,621,223	1.81
Others	23,420,495	5.15	28,929,492	5.43
Total engineering costs	455,113,796	100.00	532,284,337	100.00

The major components of cost used in construction projects of the Company are subcontracting expenses, materials expenses, labour costs, machinery usage fees and other costs. The proportion of each component of cost to operating costs is relatively stable.

(6) Changes in the scope of consolidation due to changes in the equity structure of major subsidiaries during the Reporting Period

☐ Applicable ☒ Not applicable

(7) Significant changes or adjustments to the Company's business, products or services during the Reporting Period

☐ Applicable ☒ Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(8) Information of major sales customers and major suppliers

A. Information of major sales customers of the Company

The sales of top five major sales customers amounted to RMB16,783,891 thousand, accounting for 3.04% of the total annual sales; of which, the sales of top five major customers derived from the sales to related parties amounted to RMB2,673,760 thousand, accounting for 0.48% of the total annual sales.

Unit: RMB'000

Customer's name	Operating revenue	Proportion of the total operating revenue of the Company (%)
Unit 1	5,311,848	0.96
Unit 2	3,257,195	0.59
Unit 3	3,014,229	0.55
Unit 4	2,673,760	0.48
Unit 5	2,526,859	0.46
Total	16,783,891	3.04

Sales to a single customer that accounted for more than 50% of the total amount, existing new customers among the top five customers or significant reliance on a few customers during the Reporting Period

☐ Applicable ☒ Not applicable

B. Information of major suppliers of the Company

The procurement of top five suppliers amounted to RMB6,297,157 thousand, accounting for 1.26% of the total annual procurement; of which, the procurement from related parties under the procurement of top five suppliers amounted to RMB3,471,584 thousand, accounting for 0.69% of the total annual procurement.

Unit: RMB'000

Supplier's name	Procurement for the current period	Proportion of the total operating costs of the Company (%)
Unit 1	2,802,241	0.56
Unit 2	1,110,150	0.22
Unit 3	932,618	0.19
Unit 4	782,805	0.16
Unit 5	669,343	0.13
Total	6,297,157	1.26

Procurement from a single supplier that accounted for more than 50% of the total amount, existing new suppliers among the top five suppliers or significant reliance on a few suppliers during the Reporting Period

☐ Applicable ☒ Not applicable

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3. Expenses

(1) Selling expenses

The Company's selling expenses mainly include employee compensation costs, travelling expenses, and sale services expenses. In 2024 and 2023, the Company's selling expenses were RMB3,063,315 thousand and RMB3,169,316 thousand respectively, representing a year-on-year decrease of 3.34%, which was mainly due to the decrease in the Company's sales personnel compensation and advertising expenses.

(2) Administrative expenses

The Company's administrative expenses mainly include employee compensation costs, depreciation expenses and domestic travel expenses. In 2024 and 2023, the Company's administrative expenses were RMB11,830,595 thousand and RMB12,360,311 thousand respectively, representing a year-on-year decrease of 4.29%, which was mainly due to the decrease in labor costs and travel expenses.

(3) Financial expenses

The Company's financial expenses include costs of borrowing, exchange gains or losses, bank charges, etc. incurred in operating business. In 2024 and 2023, the Company's financial expenses were RMB1,078,705 thousand and RMB989,121 thousand respectively, representing a year-on-year increase of 9.06%, which was mainly due to the year-on-year decrease in foreign exchange gains.

(4) Research and development expenses

The Company's research and development expenses include personnel labour costs, direct input costs, depreciation expenses, equipment debugging fees, and experimental fees. In 2024 and 2023, the Company's research and development expenses were RMB16,406,225 thousand and RMB19,730,402 thousand respectively, representing a year-on-year decrease of 16.85%, which was mainly due to the decrease in R&D investment during the year.

4. Research and development expenditure

(1). Table of research and development expenditure

Unit: RMB'000

Expensed research and development expenditure for the current period	16,406,225
Capitalized research and development expenditure for the current period	980
Total research and development expenditure	16,407,205
Proportion of total research and development expenditure to operating revenue (%)	2.97
Proportion of capitalized research and development expenditure (%)	0.01

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(2). Table of R&D personnel

Number of R&D personnel in the Company	13,480
The ratio of R&D personnel to the total number of our employee (%)	13.8

Educational structure of R&D personnel	
Education type	Number
PhD	444
Master	4,369
Undergraduate	7,771
Junior college	839
High school education or less	57

Age structure of R&D personnel	
Age category	Number
Under 30 (excluding 30)	2,700
30–40 (including 30, excluding 40)	5,999
40–50 (including 40, excluding 50)	3,470
50–60 (including 50, excluding 60)	1,305
60 and above	6

(3). Description

☐ Applicable ☒ Not applicable

(4). Reasons for the major changes in the composition of R&D personnel and the impact on the future development of the Company

☐ Applicable ☒ Not applicable

5. Cash flow

The cash flows of the Company are as follows:

Unit: RMB'000

Items	2024	2023
Net cash flows from operating activities	7,847,704	5,891,801
Net cash flows from investing activities	(9,582,031)	(6,724,503)
Net cash flows from financing activities	11,059,823	1,156,118

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(1) Operating activities

In 2024 and 2023, the Company's net cash flows from operating activities amounted to RMB7,847,704 thousand and RMB5,891,801 thousand, respectively. For the years 2024 and 2023, the cash inflow generated from operating activities mainly came from the cash received from sales of products and provision of services, accounting for 96.70% and 97.35% respectively with respect to the cash inflow generated from operating activities. The Company's cash outflow generated from operating activities mainly consisted of cash paid out for commodities purchased and the labour services received, cash paid to and for staff and payment for various taxes, etc. In 2024 and 2023, such cash outflow accounted for 85.40%, 6.98%, 2.89% and 87.08%, 6.42%, 2.34%, respectively with respect to the cash outflow generated from operating activities.

(2) Investing activities

In 2024 and 2023, the Company's net cash flows from investing activities amounted to RMB-9,582,031 thousand and RMB-6,724,503 thousand, respectively. The Company's cash inflow generated from investing activities primarily included cash received from acquisitions of subsidiaries and other investing activities, as well as cash received from the disposal of fixed assets, intangible assets, and other long-term assets, which accounted for 56.73%, 24.74% and 56.54%, 13.42% of the cash inflow generated from investing activities in 2024 and 2023, respectively. The Company's cash outflow generated from investing activities mainly consisted of cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets, as well as cash paid for investments, which accounted for 51.50%, 26.96% and 48.18%, 51.40% of the cash outflow generated from investing activities in 2024 and 2023, respectively.

(3) Financing activities

In 2024 and 2023, the Company's net cash flows from financing activities amounted to RMB11,059,823 thousand and RMB1,156,118 thousand, respectively. The Company's cash inflow from financing activities primarily consisted of cash received from borrowings, accounting for 91.59% and 87.86% of the cash inflow from generated financing activities for the years 2024 and 2023, respectively. The Company's cash outflow from financing activities mainly included cash paid for debt repayment, accounting for 91.82% and 84.14% of the cash outflow from financing activities for the years 2024 and 2023, respectively.

(II) Explanation of material changes in profits from non-major business

☐ Applicable ☒ Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(III) Analysis on assets and liabilities

(1). Assets and Liabilities

Unit: RMB'000

Items	Amount at the end of the current period	Proportion of the amount at the end of current period to total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period to total assets (%)	Percentage change in the amount at the end of the current period as compared to that at the end of the previous period (%)
Current Assets	599,767,170	74.23	484,133,951	73.18	23.88
Cash and bank balances	52,558,851	6.50	44,440,269	6.72	18.27
Accounts receivable	213,513,725	26.42	130,037,264	19.65	64.19
Inventories	75,593,134	9.36	80,075,514	12.10	-5.60
Contract assets	156,291,569	19.43	121,833,709	18.41	28.28
Non-current Assets	208,248,585	25.77	177,468,285	26.82	17.34
Intangible assets	33,639,591	4.16	22,849,854	3.45	47.22
Total Assets	808,015,755	100.00	661,602,236	100.00	22.13
Current Liabilities	573,629,900	91.68	448,818,443	90.93	27.81
Short-term borrowings	33,853,836	5.41	28,220,281	5.72	19.96
Bills payable	30,147,409	4.82	31,717,090	6.43	-4.95
Accounts payable	335,085,043	53.56	240,394,139	48.70	39.39
Contract liabilities	61,190,649	9.78	64,819,382	13.13	-5.60
Non-current Liabilities	52,049,989	8.32	44,792,628	9.07	16.20
Long-term borrowings	40,311,531	6.44	34,168,791	6.92	17.98
Total Liabilities	625,679,889	100.00	493,611,071	100.00	26.76

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(1) Analysis on the structure of assets

Cash and bank balances

As at 31 December 2024 and 31 December 2023, the balances of cash and bank balances of the Company were RMB52,558,851 thousand and RMB44,440,269 thousand, respectively, representing an increase of 18.27% from the beginning of the year.

As at 31 December 2024 and 31 December 2023, the restricted cash and bank balances of the Company were RMB9,368,247 thousand and RMB10,590,161 thousand, respectively, which accounted for 17.82% and 23.83% of the cash and bank balances, respectively. The restricted cash and bank balances mainly included bank deposits for issuing acceptance bills, guarantee deposits, frozen funds for lawsuit, project supervision funds and wage deposits for rural migrant workers, etc.

Accounts receivable

As at 31 December 2024 and 31 December 2023, the carrying value of the Company's accounts receivable were RMB213,513,725 thousand and RMB130,037,264 thousand, respectively, representing an increase of 64.19% from the beginning of the year, which was mainly due to the impact of the slowdown in economic growth, the increase in capital pressure on the owners and the slower progress of project payment collection, resulting in an increase in the Company's accounts receivable.

Inventories

The inventories of the Company mainly consisted of properties under development, completed properties held for sale, raw materials, work in process and finished goods, etc. The inventory structure of the Company reflected the characteristics of the engineering contracting, featured business and comprehensive real state in which the Company was engaged.

As at 31 December 2024 and 31 December 2023, the Company's net inventories were RMB75,593,134 thousand and RMB80,075,514 thousand, respectively, representing a decrease of 5.60% from the beginning of the year.

Contract assets

Contract assets of the Company are mainly completed and unsettled inventories and construction quality guarantee deposits with regard to the engineering contracting service contracts. As at 31 December 2024 and 31 December 2023, the net contract assets of the Company amounted to RMB156,291,569 thousand and RMB121,833,709 thousand, respectively, representing an increase of 28.28% from the beginning of the year, which was mainly due to an increase in the Company's contract assets related to engineering contracting services affected by the owners' financial strain, extended project settlement cycles and other factors.

Intangible assets

As at 31 December 2024 and 31 December 2023, the aggregated carrying value of the Company's intangible assets were RMB33,639,591 thousand and RMB22,849,854 thousand, respectively, representing an increase of 47.22% from the beginning of the year. The Company's intangible assets mainly included land use rights, franchise right, patent and proprietary technology, as well as mining rights etc..

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(2) Analysis on the structure of liabilities

Long-term and short-term borrowings

Long-term and short-term borrowings of the Company mainly consisted of credit loans, pledge loans and guaranteed loans from commercial banks and other financial organizations. As at 31 December 2024 and 31 December 2023, the carrying value of the Company's short-term borrowings were RMB33,853,836 thousand and RMB28,220,281 thousand, respectively, representing an increase of 19.96% from the beginning of the year. As at 31 December 2024 and 31 December 2023, the carrying value of the Company's long-term borrowings were RMB40,311,531 thousand and RMB34,168,791 thousand, respectively, representing an increase of 17.98% from the beginning of the year.

During the Reporting Period, the short-term borrowings and long-term borrowings repaid by the Company amounted to RMB317,666,694 thousand and RMB22,575,988 thousand, respectively. As at the end of the Reporting Period, the balances of fixed-rate short-term borrowings and fixed-rate long-term borrowings amounted to RMB23,315,429 thousand and RMB13,619,797 thousand, respectively.

Accounts payable

Accounts payable mainly included material costs payable to suppliers and engineering costs payable to subcontractors by the Company. As at 31 December 2024 and 31 December 2023, the Company's carrying value of accounts payable were RMB335,085,043 thousand and RMB240,394,139 thousand, respectively, representing an increase of 39.39% from the beginning of the year.

Contract liabilities

Contract liabilities mainly comprises contract liabilities related to engineering contracting services and sales contracts. As at 31 December 2024 and 31 December 2023, the Company's carrying value of contract liabilities amounted to RMB61,190,649 thousand and RMB64,819,382 thousand, respectively, representing a decrease of 5.60% from the beginning of the year.

(2). Overseas assets

(1) Asset size

Among them: overseas assets 36,744,523 (Unit: RMB'000), accounting for 4.55% of the total assets.

(2) Relevant explanations for the relatively high proportion of overseas assets

☐ Applicable ☒ Not applicable

(3). Restrictions on major assets as of the end of the Reporting Period

For details, see note VII 26 to "Financial Report" of the this report.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Analysis on the operational information in the industry

Analysis on the operational information in the construction industry

1. *Inspection and acceptance on completion of construction projects during the Reporting Period*

Unit: RMB'000

Sub-segment	Housing construction	Infrastructure construction	Metallurgical engineering	Others	Total
Number of projects (Unit)	4,875	1,749	3,635	403	10,662
Total amount	47,822,488	12,124,440	21,928,006	1,568,831	83,443,765

Unit: RMB'000

Project location	Number of projects (Unit)	Total amount
Domestic	10,437	82,332,811
Overseas	225	1,110,954
Including:		
Asia	171	858,116
Africa	13	141,477
South America	17	33,199
Europe	17	52,427
Oceania	4	18,605
North America	3	7,130
Total	225	1,110,954

Other descriptions

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

2. Projects under construction during the Reporting Period

Unit: RMB'000

Sub-segment	Housing construction	Infrastructure construction	Metallurgical engineering	Others	Total
Number of projects (Unit)	3,834	1,689	2,937	627	9,087
Total amount	235,970,360	84,832,529	79,507,315	6,900,083	407,210,287

Unit: RMB'000

Project location	Number of projects (Unit)	Total amount
Domestic	8,764	390,416,697
Overseas	323	16,793,590
Including:		
Asia	279	15,890,890
Africa	18	370,622
South America	4	12,715
Europe	18	149,424
Oceania	2	283,382
North America	2	86,557
Total	323	16,793,590

3. Major projects under construction

☐ Applicable ☒ Not applicable

4. Accumulated number of newly signed projects during the Reporting Period

During the Reporting Period, the accumulated number of newly signed projects was 6,844, and the total amount was RMB1,147.470 billion.

5. Orders in hand as at the end of the Reporting Period

As at the end of the Reporting Period, the total amount of orders in hand amounted to RMB2,760.209 billion. In particular, the value of the projects that have been signed yet to be commenced amounted to RMB1,048.886 billion, and the amount of the outstanding portion of the projects under construction was RMB1,711.323 billion.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Other descriptions

Starting from the second quarter of 2024, the Company further refined the statistical calibrations for each business segment of new contracts, and transferred the businesses involving consulting, inspection and testing, technical services and environmental engineering from the statistical scope of the engineering contracting business, with year-on-year and quarter-on-quarter figures adjusted by the same calibrations.

6. *Engineering construction qualifications of the Company*

As of the end of the Reporting Period, the Company possessed a total of 49 special qualifications for construction general contracting (in particular, in January 2024, MCC headquarter, as an independent legal entity, received the special-grade qualification for general contracting of construction engineering), 5 comprehensive Class A qualification enterprises for engineering design, 3 comprehensive Class A qualification enterprises for engineering survey, and 8 comprehensive qualification enterprises for engineering supervision, with the number and quality of high-grade qualifications ranking at the top among the national construction enterprises.

7. *The operation of the quality control system and production safety system of the Company*

In 2024, the operation of the quality control system of the Company was normal and the overall construction quality was under control without occurrence of any significant quality accident. The quality control system of the Company, which comprises three core levels, namely the head office, the subsidiaries and the project management departments, operated smoothly. Each of the levels stringently executes the national, industrial and local standards of quality. The Company promoted the implementation of the Project Management Manual and the Quality Sub-Manual of the Project Management Manual, continued to improve the standardisation of project quality management, and carried out special inspections of municipal transportation projects, housing construction projects and metallurgical projects, and organized the subsidiaries to implement on promoting standardization of quality management and building quality constructions by various measures such as self-check, guarantee-covered check and special inspection, which commenced publicity and educational activities such as “quality month” activities as safeguard measures.

In 2024, the Company thoroughly studied General Secretary Xi Jinping’s important expositions and instructions on production safety, adhering to the concept of “people first, life first”, and taking the three-year action to address the root issues as the key part. The Company maintained a high-pressure attitude, coordinated horizontally and concentrated vertically, comprehensively promoted the solid foundation at the grass-roots level, focused on preventing core risks, continuously improved the safety performance of all employees, and provided multidimensional support to enhance the level of intrinsic safety. In 2024, the Company’s overall production safety situation remained stable and there were no major or above production safety accidents.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

The Company fully implements the concept of safe development, insisting on making General Secretary Xi Jinping's important expositions and instructions on production safety a "1st topic" of the Company's party committee and safety committee, resolutely unifying thoughts and actions with General Secretary Xi Jinping's important instructions and instructions. The Company continuously improves the safety management system, revises the "Detailed Rules for the Implementation of Liability Investigation and Reward and Punishment for Safety, Environmental Protection and Accidents (安全環保事故責任追究與獎懲實施細則)", establishes the "Methods for the Establishment of Safety Production Management Institutions and the Allocation of Full-time Safety Management Personnel (安全生產管理機構設置及專職安全管理人員配備管理辦法)", "Methods for the Evaluation of Safety Production Management (安全生產管理評價辦法)", and the "Detailed Rules for the Implementation of Safety and Environmental Protection Assessment (安全環保考核實施細則)", forming a standardized and results-oriented safety system with a focus on prevention and punishment. The Company's leadership conducted 56 inspections throughout the year, and the leaders of subsidiary companies conducted 4,323 inspections, actively demonstrating their leadership and setting an example. The Company continued to promote the construction of a metallurgical engineering risk database, establishing safety risk databases for raw materials, sintering, and pelletizing projects, and completing the task of establishing a safety risk database for iron production. The Company continues to play the role of "guarantor" and "leader" units, focusing on high-risk industries such as highways, hazardous chemicals, and explosives, and targeting critical process points such as special equipment, deep foundation pits, steel structures, and repairs, while covering the "surface" through regional inspections. Throughout the year, 16 "guarantor" units and 14 "leader" subsidiary companies conducted safety inspections on 846 projects in 28 provinces and cities, eliminating 9,721 accident hazards. A special campaign to prevent falls from height was launched, and a standardized manual for safety protection during high-altitude operations was formulated. 24 high-altitude work scenarios were selected, and "technological protection, physical protection, intelligent protection, and human protection" control measures were refined to comprehensively standardize and strengthen high-altitude work management. Efforts were made to create standardized and safe construction sites, with 28 projects being awarded national-level standardized construction site titles, and 475 projects being awarded provincial and municipal-level standardized construction site titles, continuously improving the level of safety production standardization. At the same time, the Company continuously innovates its safety supervision model, conducts safety management diagnosis for subsidiary companies, strengthens safety training and education, improves digital platform construction, and fully maintains the bottom line of safety production.

8. *Financing arrangements of the Company*

As at the end of the Reporting Period, the balance of corporate debt and other equity instrument financing was RMB152.887 billion, an increase of 18.87% compared to the beginning of the period, which better met the capital needs of enterprise development and industrial restructuring. Of this, the balance of debt financing was RMB95.287 billion, the balance of other equity instrument financing was RMB57.600 billion, and the financing structure was further optimised; the balance of financing due within one year was RMB50.280 billion, and the balance of long-term financing was RMB102.607 billion.

(V) **Analysis on investment**

1. *Overall analysis on external equity investments*

As at 31 December 2024 and 31 December 2023, the net assets of the Company's trading financial assets were RMB2,770 thousand and RMB1,951 thousand, respectively, representing an increase of 41.98% from the beginning of the year. As at 31 December 2024 and 31 December 2023, the net long-term equity investments of the Company were RMB38,078,760 thousand and RMB36,236,395 thousand, respectively, representing an increase of 5.08% compared to the beginning of the year. As at 31 December 2024 and 31 December 2023, the net investment in other equity instruments of the Company amounted to RMB1,698,287 thousand and RMB1,126,144 thousand, respectively, representing an increase of 50.81% as compared to the beginning of the year. As at 31 December 2024 and 31 December 2023, the Company's other net investment in non-current financial assets amounted to RMB4,875,569 thousand and RMB3,992,595 thousand, respectively, representing an increase of 22.12% as compared with the beginning of the year.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

2. Substantial equity investments

☐ Applicable ☒ Not applicable

3. Substantial non-equity investments

☐ Applicable ☒ Not applicable

4. Financial assets measured at fair value

Stock investments

Unit: RMB'000

Stock variety	Stock code	Stock abbreviation	Initial investment amount	Carrying amount at the beginning of the period	Profit or loss arising from changes in fair value for the current period	Cumulative fair value change included in equity	Amount of purchase for the current period	Amount of disposal for the current period	Carrying amount at the end of the period	Account category
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	361	233	8	-	-	-	241	Financial assets held for trading
Shares	600787	CMST Development Corp (中儲股份)	499	587	147	-	-	-	734	Financial assets held for trading
Shares	000639	GED (粵電力A)	24	31	-2	-	-	-	29	Financial assets held for trading
Shares	600515	Hainan Airport (海南機場)	264	310	15	-	-	-	325	Financial assets held for trading
Shares	600221	Hainan Airlines Holding (海航控股)	206	153	28	-	-	-	181	Financial assets held for trading
Shares	000709	Hesteel (河鋼股份)	4,600	4,041	-	151	-	-	4,192	Investments in other equity instruments
Shares	601328	Bank of Communications (交通銀行)	89,134	239,365	-	83,886	-	-	323,251	Investments in other equity instruments
Shares	000939	Kaidi Ecological (凱迪生態)	2,502	-	-	-	-	-	-	Investments in other equity instruments
Shares	600642	Shenergy (申能股份)	188	289	-	135	-	424	-	Investments in other equity instruments
Shares	000005	Fountain (世紀星源)	420	175	-	-97	-	-	78	Investments in other equity instruments
Shares	600665	Tande (天地源)	1,122	626	-	-130	-	-	496	Investments in other equity instruments
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	170,080	67,115	-	2,414	-	-	69,529	Investments in other equity instruments
Shares	000737	North Copper (北方銅業)	38,798	-	-	13,379	38,798	-	52,177	Investments in other equity instruments

Explanation of securities investments

☐ Applicable ☒ Not applicable

Private fund investments

☐ Applicable ☒ Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Derivative investments

(1) Derivatives investment for hedging purposes during the Reporting Period

On 22 January 2024, the 56th meeting of the third session of the Board reviewed and passed the 'Proposal on the 2024 Foreign Exchange Hedging Business Plan of Metallurgical Corporation of China', agreeing that Metallurgical Corporation of China and its subsidiaries may carry out foreign exchange derivative transactions in 2024 with a quota of no more than USD4,239 million (including the equivalent amount in foreign currency), which is valid for 12 months from the date of consideration and approval by the board of directors (for details, please refer to the relevant announcement disclosed by the Company on 22 January 2024). The Company's foreign exchange hedging business in 2024 is not subject to hedge accounting. For details of risk management, please refer to the table below:

Accounting policies and specific principles of accounting for hedging operations during the Reporting Period, as well as an explanation of whether there have been any significant changes compared with the previous reporting period	No significant changes have occurred.
Explanation of actual gain or loss during the Reporting Period	The impact arising from exchange rate fluctuations on the Company's consolidated statement caliber represents a net gain.
Explanation of hedging effect	The Company's foreign exchange derivatives business is in line with the needs of the daily operations of the Company, which enables the Company to effectively avoid exchange rate risks and reduce the possible adverse impact of exchange rate fluctuations on the Company.
Sources of funds for derivative investments	Contractual receipts and payments of foreign exchange and foreign currency funds on hand arising from normal production and operation.
Risk analysis and description of control measures for derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, and others)	<p>(II) Transaction Risk Analysis</p> <ol style="list-style-type: none"> 1. Market risk: due to the unpredictability of changes at home and abroad in the economic environment, there is a possibility of loss in the valuation of the foreign exchange hedging business during the survival period, and the trading profit and loss at the time of maturity or selective delivery. 2. Liquidity risk: unreasonable arrangement of the foreign exchange hedging business triggers the liquidity risk of the Company's funds at the time of maturity and delivery. 3. Compliance risk: the choice from the counterparty is unreasonable, and the counterparty is unable to pay corresponding amount as agreed upon at the time of the maturity and delivery of foreign exchange hedging business. 4. Internal control risk: foreign exchange hedging business is relatively professional and sophisticated, which may result in loss in the process of foreign exchange funds due to operational errors, systems and other reasons. 5. Compliance risk: subject to regulatory penalties, economic losses and negative impact on the Company's reputation for its failure to comply with policies, regulations and company systems.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(II) Risk Control Measures

1. For market risk, the Company intends to take the following measures: Firstly, the foreign exchange hedging business to be undertaken by the Company are all foreign exchange forwards, simple exchange rate options, interest rate swaps and currency swaps products conducted for the purpose of hedging which are closely related to the actual business, and do not involve speculative arbitrage. Transaction gains and losses are also hedged against changes in the value of their corresponding risk assets; secondly, we strengthened research and analysis of exchange rates, paid attention to changes in the market environment both at home and abroad, and adjusted our operating strategies in a timely manner in conjunction with changes in the market; thirdly, following the signing of the foreign exchange contract, we followed up on the market in a timely manner for dynamic management, and set up a risk early warning line based on the transaction program. We regularly check the transaction situation with all counterparties, analyze and assess the possible risks and take prompt countermeasures.
2. For liquidity risk, the Company intends to take the following measures: Firstly, the foreign exchange preservation business to be undertaken by the Company are based on the actual business, matching with the actual foreign exchange income and expenditure, and at the time of decision-making, the Company has reasonably planned the capital plan to ensure sufficient funds to be held at the time of delivery; secondly, the Company will select the difference in delivery at the appropriate time based on the type of products and market trends, so as to successfully satisfy the demand for funds for delivery; thirdly, the Company will reinforce its efforts in collection of the project, so as to ensure the return of the funds.
3. For the performance risk, the Company intends to take the following measures: Firstly, the counterparties of the foreign exchange preservation business to be undertaken by the Company are all financial institutions with good credit, solid capital and with whom the Company has established long-term business relations, so that the performance risk is low; secondly, the Company will closely follow up on the operation of the counterparties in the process of holding positions, and will take countermeasures promptly in the event of any significant risk events.
4. For the internal control risk, the Company intends to take the following measures: Firstly, the Company will carry out the business in strict accordance with the annual plan of foreign exchange preservation, and the specific business shall be approved by the relevant authorized personnel of the Company before processing; secondly, the Company will clearly define the responsibilities and authority of the positions of foreign exchange preservation business, and ensure the separation, constraint and supervision of incompatible positions for foreign exchange preservation business; thirdly, the Company prohibits one person from processing the whole process of foreign exchange preservation business, while the personnel for processing the business shall have the corresponding business competence; fourthly, through the foreign exchange risk management auditing and supervisory system, the Company will carry out supervision and inspection of foreign exchange preservation business norms and the effectiveness of the internal control mechanism on a regular basis.
5. For compliance risk, the Company intends to take the following measures: Firstly, the Company concludes contracts with counterparties in compliance with the Civil Code of the People's Republic of China and relevant laws and regulations; secondly, the legal compliance department shall conduct compliance audits of foreign exchange contracts; and thirdly, third-party legal advisers or experts shall be consulted for the conclusion of major foreign exchange contracts.

Changes in the market price or product fair value of invested derivatives during the Reporting Period, the analysis of the fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters

The Company conducted foreign exchange forward and currency swap business with caution for the purpose of hedging, and the market price fluctuated according to the exchange rate of Renminbi against the USD dollar during the Reporting Period.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Involvement in litigation (if applicable)	Not applicable
Date of disclosure of the announcement of the Board for approval of derivative investment (if applicable)	22 January 2024
Date of disclosure of the announcement of the general meeting for approval of derivative investment (if any)	Not applicable

(2) Derivatives investment for speculative purposes during the Reporting Period

☐ Applicable ☒ Not applicable

5. Details of the progress of the major asset restructuring and consolidation during the Reporting Period

☐ Applicable ☒ Not applicable

(VI) Disposal of material assets and equity

☐ Applicable ☒ Not applicable

(VII) Analysis on holding company and joint stock company

Unit: RMB'000

No.	Name of subsidiary	Business scope	Place of establishment/ incorporation	Registered capital	Total assets	Net assets	Net profit
1	China MCC 5 Group Co., Ltd.	Engineering contracting, etc.	Chengdu	5,323,343	85,568,280	17,531,861	2,400,985
2	Shanghai Baoye Group Co., Ltd.	Engineering contracting, etc.	Shanghai	5,777,850	77,916,111	15,338,099	1,279,850
3	China First Metallurgical Group Co., Ltd.	Engineering contracting, etc.	Wuhan	2,417,727	51,270,955	8,947,036	1,163,810
4	China MCC 17 Group Co., Ltd.	Engineering contracting, etc.	Ma'anshan	2,050,000	55,453,267	10,222,703	925,379
5	China MCC 22 Group Co., Ltd.	Engineering contracting, etc.	Tangshan	3,393,281	38,229,072	7,338,456	751,223
6	CISDI Group Co., Ltd.	Design, scientific research, EPC, etc.	Chongqing	2,300,000	21,721,305	6,322,406	636,868
7	WISDRI Engineering & Research Incorporation Limited	Design, scientific research, EPC, etc.	Wuhan	3,350,000	26,880,930	10,176,637	602,206
8	China Metallurgical Construction Engineering Group Co., Ltd.	Infrastructural contracting	Chongqing	2,449,054	36,420,779	8,232,535	589,160
9	China MCC 19 Group Corp. Ltd.	Engineering contracting, etc.	Panzhihua	3,910,999	32,389,536	6,755,201	584,193
10	MCC Capital Engineering & Research Incorporation Limited	Design, scientific research, EPC, etc.	Beijing	3,283,104	27,300,019	5,493,804	533,972
11	MCC-JJJ Mining Development Company Limited	Resource development, etc.	Beijing	3,095,703	7,226,388	3,391,165	445,841
12	MCC Ecological Environmental Protection Group Co., Ltd.	Water resource management, etc.	Beijing	3,000,000	7,329,071	4,131,689	415,187
13	China Non-ferrous Engineering Co., Ltd.	Design, scientific research, EPC, etc.	Beijing	2,346,730	12,546,773	4,643,485	339,369
14	China Second Metallurgical Group Corporation Limited	Engineering contracting, etc.	Baotou	2,304,961	32,130,644	3,715,335	331,336
15	China Huaye Group Co., Ltd.	Engineering contracting, etc.	Beijing	1,821,652	18,001,247	3,593,569	326,429
16	MCC TianGong Group Corporation Limited	Engineering contracting, etc.	Tianjin	2,050,000	34,423,033	5,253,114	317,990
17	MCC Communication Construction Group Co., Ltd.	Engineering contracting, etc.	Beijing	9,312,258	37,815,791	8,886,641	311,513
18	Central Research Institute of Building and Construction Co., Ltd.	Design, scientific research, EPC, etc.	Beijing	2,905,110	15,267,834	5,072,185	302,265
19	MCC Tongsin Resources Limited	Resource development, etc.	British Virgin Islands	3,172,924	6,001,910	4,536,573	275,147
20	Zhongye Changtian International Engineering Co., Ltd.	Design, scientific research, EPC, etc.	Changsha	677,301	6,760,319	2,913,014	214,079

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Subsidiaries with net profit of subsidiaries accounted for more than 10% of the consolidated net profit

Unit: RMB'000

No.	Name of entity	Operating revenue	Operating cost	Operating profit	Net profit	Net profit attributable to the parent company
1	China MCC 5 Group Co., Ltd.	80,039,384	73,989,450	2,778,568	2,400,985	2,394,765
2	Shanghai Baoye Group Co., Ltd.	71,377,917	65,374,983	1,426,159	1,279,850	1,254,723
3	China First Metallurgical Group Co., Ltd.	45,087,262	40,620,197	1,276,707	1,163,810	1,160,229
4	China MCC 17 Group Co., Ltd.	35,654,388	31,689,205	1,050,928	925,379	925,377

(VIII) Structured entities controlled by the Company

For details, please refer to Note IX.3 in “Financial Report” of this report.

VI. THE COMPANY'S DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Landscape and trend of the industry

In the metallurgical construction sector, in recent years, China's metallurgical industry has demonstrated steady development, with significant achievements in the transformation and upgrading of the steel industry. Steel product exports have seen substantial growth, and low-carbon development is set to become an inevitable trend for the sector. The Ministry of Ecology and Environment has proposed that by the end of 2025, over 80% of the country's crude steel production capacity should complete ultra-low emission upgrades. Rough estimates suggest that more than 800 million tons of crude steel capacity will undergo ultra-low emission upgrades over the next four years. Driven by environmental upgrades, fixed asset investment in the steel industry is expected to grow steadily, with investment in the ferrous metal smelting and rolling processing industry projected to reach approximately RMB1.13 trillion by 2025, representing a compound annual growth rate of around 10%. According to the Carbon Peak Action Plan for the Metallurgical Industry (冶金行業碳達峰行動計劃), the industry's overall energy consumption intensity is targeted to decrease by an additional 10% by 2030 compared to 2025. In the field of metallurgical construction, the Company will further consolidate its integrated industrial chain advantages, highlight the leading role of design institutes, and strengthen its edge in technological innovation. Efforts will be intensified in research and development, particularly in steel metallurgy and new steelmaking technologies. The Company will also refine its patent navigation and layout, adhere to a product-oriented strategy, and explore moderately forward-looking initiatives.

In the housing construction and municipal infrastructure development sector, significant opportunities remain in certain sub-sectors and regional markets. The implementation of urban renewal initiatives has become one of the key drivers for stimulating economic growth and expanding domestic demand. According to the requirements of the Ministry of Housing and Urban-Rural Development, by 2025, the renovation of old urban residential communities built before the end of 2000 will be fully completed, and the renewal of aging gas pipelines identified through inspections will be largely accomplished. This will unlock substantial market potential for urban renewal. Meanwhile, the increase in urbanization rates will continue to serve as the largest source of domestic demand for municipal investment, driving sustained growth in related investments. It is projected that by 2030, the urbanization rate will reach 70%, and fixed asset investment in municipal public facilities construction will approach RMB2.8 trillion. From the perspective of investment in various sub-sectors of municipal infrastructure, road and bridge construction will remain the primary investment focus in 2025. New first-tier and second-tier cities are expected to become the main battlegrounds for future rail transit construction.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

In the featured business sector, the national 14th Five-Year Plan and the 2035 Long-Range Objectives Outline propose that the added value of strategic emerging industries should account for over 17% of GDP. Strategic emerging industries have become a new arena for regional industrial layout. Companies within the industry are actively promoted around digitalization, intelligentization, and green transformation, focusing on areas such as smart construction, next-generation information technology, energy conservation and environmental protection, new energy, new materials, and high-end equipment manufacturing. For the Company, strategic emerging industries such as next-generation information technology, new materials, new energy, high-end equipment manufacturing, and energy conservation and environmental protection are closely aligned with its specialized businesses. These areas represent key opportunities for the Company to leverage its strengths and expand its business scale, and they will form an important pillar of the “One Core, Two Main Bodies and Five Features (一核心兩主體五特色)” business system in the future.

(II) Implementation plan for the Company’s 2025 development strategy

The year 2025 marks the conclusion of the 14th Five-Year Plan and the preparatory phase for the 15th Five-Year Plan. It serves as a pivotal milestone in advancing the enterprise’s transformation and upgrading, bridging past achievements with future endeavors. The Company will further solidify its foundational management base, with the “Three-Year Action Plan for Enhancing Basic Management” as a critical component, to systematically drive the enterprise’s transformation and upgrading. Adhering to the 21-character guiding principle of “stabilizing growth, strengthening industries, fostering innovation, reducing costs, mitigating risks, ensuring safety, and promoting reform,” the Company will align with the Goals for “one building, two most, five strong” of China Metallurgical Group Corporation. Following the fundamental path of “strengthening the core, optimizing the main body, and expanding distinctive features,” the Company will strategically plan and methodically implement the “Five-Five” strategy.

In the core business area of metallurgical construction, with the mission of “building the best overall solution provider for metallurgical construction and operation with superior core strength”, the Company will give full play to its advantages in the entire industrial chain, including consulting, planning, investigation, design, investment, construction and operation, and intensify its efforts in the areas of low-carbon smelting, extreme energy efficiency and intelligent manufacturing to promote the formation of a large-scale metallurgical digitization industry, and continue to transform new technologies into new products, and then transform new products into good commodities to achieve the upgrading of the metallurgical business.

The two core businesses of housing construction and municipal infrastructure serve as the “ballast stones” for the Company’s sustainable development. The Company will take the strategic leadership of “the most reliable general contractor in infrastructure with global reputation and domestic leading position” as its main focus, and will steadily focus on high-end fields by leveraging the planning and programming role of design institutes and the advantages of the whole industry chain, to enhance the quality of projects under the premise of stabilizing and controlling the scale. The Company will take advanced industrial manufacturing projects, ultra-high-rise, high-end buildings, convention and exhibition centers and iconic buildings as important directions for market development in the real estate construction business. At the same time, the Company will focus on municipal infrastructures such as the “Three Major Projects”, urban renewal, urban pipeline networks, and comprehensive improvement of the entire land area, and keep cultivating key technologies in the fields of bridges and tunnels, assembled buildings, and construction robots, to achieve a further upgrading of the main business through technological innovation. The Company will build a whole-process service ecosystem chain of unique “design + general contracting management + value-added services” integrating planning and design, engineering and construction, and intelligent operation.

In terms of featured business, the Company fully utilizes its technical and full industry chain advantages to enhance the added value of its products and services, actively expanding into related fields to cultivate new pillar industries and profit growth points. In alignment with the requirements of transformation and upgrading, synergy with core businesses, capability matching, and market realities, the Company comprehensively expands and upgrades its five featured business lines: mineral resources and new materials, engineering services, high-end equipment, and energy and environmental protection, and stood at the height of the development of the industry to carry out forward-looking planning, and continuously explored the new business formats, cultivated new functions, and achieved the Company’s transformation by expanding its featured business.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

In the realm of mineral resources, the Company's focus remains on existing mining operations with an emphasis on advancing exploration and discovery around the periphery of known ore belts. The Company aims to replicate the cost-effective greenfield exploration experience, concentrating on metals such as copper, lead, zinc, lithium, among others, targeting advantageous ore-forming belts to capture potential ore-forming zones. Its objective is to acquire new mining rights and resources through a strategic point-to-area approach. By enhancing internal collaboration, optimizing coordination and allocation mechanisms, the Company leverages its leading edge in exploration and design fields to implement cutting-edge exploration technologies, methodologies, and equipment at mine project sites.

In the field of new materials, the Company integrates high-quality R&D resources from both domestic and international sources, orienting its efforts towards market demands to explore innovative cooperation models. By introducing innovative technologies and products, the Company builds a dual-driven composite innovation R&D system featuring "introduced cooperation plus independent R&D", thereby enhancing its technical breakthrough capabilities. Concurrently, it establishes an integrated management system encompassing supply, production, and sales, implementing lean production planning management to stabilize the execution rate of production plans.

In respect of engineering services, the Company continuously strengthens the brand influence of its certification services for steel products, serving its main business while developing dual carbon certification services. It aims to continuously break through export certifications, enrich service certification qualifications, and expand its portfolio. Efforts are being made by the Company to address shortcomings in qualification capabilities and enhance technical service capabilities, actively exploring emerging sectors like battery materials, ceramic materials, composite materials, and conducting diversified testing services across multiple fields to cultivate new market growth points. By assembling a world-leading, nationally top-tier professional team specializing in construction steel structure welding and non-destructive testing technology, the Company aims to perfect the standard system construction within the field of building steel structures and establish a full-process consulting and management service chain.

In the high-end equipment sector, the Company shifts away from a "large and comprehensive" business strategy, gradually phasing out product lines characterized by mature technology and intense market competition. Instead, it focuses on the R&D and production of core critical equipment and components with high technological content and added value. Guided by key technologies and core parts, the Company achieves final assembly through external procurement, mitigating adverse impacts of cyclical fluctuations in the metallurgical engineering industry on capacity efficiency. Leveraging its core expertise, the Company upgrades traditional equipment through intelligent enhancements and systematic integration, equipping machinery with proprietary technologies to elevate the competitiveness of its engineering services. Facing cutting-edge technology and national needs, the Company increases innovation efforts to overcome bottlenecks, clearly defining respective technical breakthroughs and R&D focuses within the equipment domain based on the current level of equipment manufacturing business development, accelerating the transformation of products.

Within the energy and environmental protection sector, the Company actively implements detailed measures for market development under the "Five Linkages" framework, leveraging its position as a "technical high ground". It transfers core technologies from fields such as metallurgical construction and mine restoration to jointly expand markets in areas like industrial wastewater and waste liquid resource recovery, mine wastewater treatment, sludge disposal, and environmental remediation. The Company activates its internal market by establishing internal market mechanisms, forming a "corps-style" market development model. This approach continuously expands client bases along the supply chain, fostering integrated supply chain capabilities.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(III) Operational plan

In 2024, facing unprecedented internal and external pressures and challenges, the Company took proactive measures, actively sought change, adjusted structures, transformed methods, pursued innovation, and improved quality and efficiency. The Company made extraordinary efforts, maintained the stability of its basic operations, and accumulated abundant energy for long-term development. Affected by factors such as the continuous decline in demand in the iron and steel industry, sluggish growth in the construction engineering industry, profound adjustments in the real estate industry, as well as temporary factors related to business structure adjustment brought by the Company's own restructuring and upgrading and other phased factors, the Company achieved new contract value of RMB1,248.706 billion and operating revenue of RMB552.025 billion in 2024, which did not meet the original operational plan.

In 2025, the Company plans to achieve operating revenues of RMB564 billion and aims to secure new contract values of RMB1,150 billion in total.

The Company will continue to adhere to the overarching principle of pursuing progress while ensuring stability, thereby promoting higher-quality development.

Firstly, in terms of enhancing the quality of marketing, the Company will continue to leverage the experience gained from the "Five Linkages" work model and increase its involvement in "high-profile, large-scale and comprehensive" project contracting, especially in areas such as underground pipe gallery construction, comprehensive land consolidation and improvement, and continued construction of infrastructure. The Company will also increase its collaborative efforts to further enhance the market competitiveness of high-quality projects. At the same time, the Company will continue to expand in overseas markets, make full use of local resources, work intensively and meticulously, and accelerate the pace of "going global" as long as risks are under control.

Secondly, in terms of enhancing project performance capabilities, we will further implement the requirements of the Project Management Handbook, pay close attention to project management planning, ensure that the target management responsibility system is implemented, ensure that project settlement and payment is collected, strengthen the assessment of target management responsibilities, fully mobilise the enthusiasm of the project management team, and enhance project performance capabilities.

Thirdly, in terms of improving basic management capabilities, the Company will take the opportunity of summarising the 14th Five-Year Plan and planning for the 15th Five-Year Plan to comprehensively summarise the results of the three-year basic management improvement actions, consolidate and deepen good practices into institutional mechanisms, and promote the Company's high-quality development path of better quality, greater efficiency, higher benefits, and greater sustainability.

Fourthly, in terms of the integration of technological innovation and industrial innovation, the focus will be on the "Three Integrations" of industrialisation, digitalisation and greening in the construction industry, forming an innovative industrial chain cluster, accelerating industrial upgrading, and creating new advantages for the Company's traditional metallurgical business with new productive forces by accelerating the deep integration of the innovation chain industrial chain. At the same time, relying on the Company's technological advantages in the main business of metallurgical construction, we will continue to consolidate technological achievements in low-carbon metallurgy, energy conservation and environmental protection, green intelligence, high-end equipment, etc., and tap potential business growth points.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Possible risks and response measures taken by the Company

1. *Risks associated with macro-economy*

Currently, the global economy is expected to continue its recovery trend, yet it is entangled with trade protectionism, unilateralism, and geopolitical conflicts, leading to deeper adverse impacts from changes in the external environment. China's economic operations still face numerous difficulties and challenges; domestic demand is insufficient, some enterprises encounter operational difficulties, and risk still abound. Despite facing a complex and severe domestic and international situation, China's economic foundation remains stable with many advantages, strong resilience, and vast potential. The supportive conditions and basic trends for long-term positive development have not changed. The effects of a package of incremental policies are rapidly becoming evident, and economic operations are clearly rebounding. The Central Economic Work Conference has clearly emphasized the implementation of a more proactive fiscal policy and a moderately accommodative monetary policy, signaling a strengthened macro-control effort and robust measures to stabilize growth. However, further promoting economic recovery and improvement require overcoming several difficulties and challenges, mainly due to an increasingly complex, severe, and uncertain international environment, ongoing adjustments and transformations within the domestic economy, and the continuous efforts needed to expand domestic demand and mitigate risk.

To effectively address the risks associated with macroeconomic fluctuations, the Company will closely focus on its "One Core, Two Main Bodies and Five Features" business system. It will closely track, analyze, and study macroeconomic policies and industry development trends, prudently assess related risks, and adjust business strategies as appropriate to promote sustained and steady development of the Company. This strategic approach enables the Company to navigate through uncertainties and capitalize on its strengths to ensure stability and growth amidst challenging economic conditions.

2. *Risks associated with the traditional metallurgical engineering business segment*

Currently, the iron and steel industry's structural adjustment and optimization upgrade will continue and further deepen. The main themes of development within China's metallurgical sector include the high-end upgrading of metallurgical technology and equipment, green and low-carbon transformation, digitalization, and intelligent upgrades. These trends will bring a series of market opportunities for quality-benefit adjustments and upgrades. From an international perspective, despite the unprecedented complexity of the current global situation, the long-term trend points towards countries engaging in division of labor, cooperation, and mutual benefit. Therefore, overseas markets remain a crucial growth pole for the Company's future metallurgical engineering segment.

In response to the current complex market environment, the Company will base its operations in the domestic market while promoting mutual enhancement through both domestic and international dual circulation. With the goal of becoming the provider of the best comprehensive solutions for metallurgical construction and operation with superlative core competitiveness, the Company will continuously focus on market risks posed by capacity reductions in the steel industry. It will preemptively manage risks associated with fluctuations in raw material prices and rising labor costs. By doing so, the Company aims to further consolidate its position as a world-class leader in the national metallurgical construction team and continually enhance its core competitiveness and brand influence in the global steel engineering technology domain.

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3. *Risks associated with the non-steel engineering segment*

The risks in the non-ferrous engineering sector are closely related to national strategies and fixed asset investment policies. With the urbanization process slowing down, the proportion of the construction industry's added value to GDP is expected to gradually decrease. Meanwhile, influenced by factors such as economic growth deceleration, control over local government implicit debt, tight issuance quotas for special bonds, and policy adjustments concerning the PPP model, the non-ferrous engineering market faces overcapacity, with the "Matthew effect" intensifying, leading to fiercer market competition. Furthermore, price volatility of construction materials like steel, cement, and timber, along with temporary shortages in supply chain or resource, could increase costs, impacting the schedule and cost of construction projects to a certain extent. Recently, to promote steady economic growth, the state has continuously introduced new favorable policies, including a package of incremental policies and measures for resolving local government hidden debts, issuing ultra-long-term special treasury bonds, and encouraging increased investment in urban infrastructure construction. These initiatives aim to advance three major projects: constructing affordable housing, renovating urban villages, and developing dual-purpose public infrastructure for both normal and emergency use, providing opportunities for the development of construction enterprises. In terms of regional development, populations and resources continue to concentrate in economically developed city clusters and metropolitan areas such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Xiongan New Area. In these economically vibrant regions, the Company still has untapped market potential.

The Company will continuously integrate into and serve national strategies, focusing on "three priorities", establishing a "big marketing" concept, solidly implementing the "Five Linkages", firmly optimizing its business structure characterized by "One Core, Two Main Bodies and Five Features", innovating business models, strengthening marketing system construction, and comprehensively enhancing its competitiveness in the non-metallurgical engineering market. The goal is to become an internationally renowned, domestically leading, and highly trustworthy general contracting service provider in basic construction, securing a larger market share. This strategic approach aims at not only adapting to but thriving in the evolving market landscape by leveraging its strengths and addressing emerging challenges effectively.

4. *Risks associated with the property development business segment*

Since 2024, both central and local governments have gradually relaxed real estate regulation policies, ushering the real estate industry into a comprehensive easing cycle. The concentrated introduction of multiple policies at the national level continuously reduces the cost of property purchases for homebuyers. However, from the perspective of industry performance, the momentum of housing demand release has gradually weakened. With urbanization slowing down and weaker expectations of residents' income against a backdrop of an economic downturn, the market has not fully embraced the policy easing. As such, there are yet to be clear signs of recovery in the real estate market, and the trend of differentiation in the real estate industry continues.

Due to changes in the macroeconomic situation and the impact of policy adjustments, the market's supply-demand relationship has undergone a reversal. The Company is now facing issues such as excessive inventory accumulation in real estate projects and sluggish project sales. To adapt proactively to these situational demands and market changes, the Company must implement the overall requirement to "resolve existing inventories and strictly control new increments," firmly maintaining the bottom line of preventing systemic and disruptive risks. It should explore and construct a development model suited to its own growth. This entails innovating strategies to address inventory buildup and poor sales performance while ensuring financial stability and seeking opportunities for sustainable growth amidst challenging conditions.

Firstly, the Company will firmly center on "de-stocking" by formulating specialized plans and action programs. It will adopt multiple measures to accelerate inventory liquidation, asset revitalization, and the resolution of risky projects, striving to mitigate the adverse impacts of the downturn in the real estate market and ensuring the safety of cash flow.

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Secondly, leveraging the advantages of the Company's full industrial chain layout encompassing investment, financing, construction, and operation, it will combine innovative marketing models under the "Five Linkages" framework. By strengthening internal business synergy and coordination, the Company will enhance its capabilities in real estate development, asset operation, and property management. To improve operational quality, the Company will simultaneously enhance product strength, service capability, and brand influence, pursuing a path of light-asset development primarily focused on real estate development management services and brand output. This strategic direction not only addresses current challenges but also positions the Company for sustainable growth through diversified and integrated operations.

5. *Risks associated with financial segment*

Globally, major economies in Europe and America have continuously raised interest rates, elevating market interest rate levels, while global economic growth is slowing down. Geopolitical risks remain, with cooperation and competition coexisting among nations. It is anticipated that central banks in developed markets worldwide will enter a cycle of interest rate cuts. However, the high-interest-rate environment is unlikely to fundamentally change in the short term, limiting the strength of economic recovery. In China, traditional industries urgently need to upgrade and transform, while new economy sectors are still in the development stage. Cyclical and structural contradictions overlap, placing the recovery of China's economy at a critical phase. Nonetheless, the fundamentals of China's economy—its resilience, potential, and long-term positive outlook—remain unchanged, presenting both market opportunities and risks.

In order to prevent risks in the financial field, the Company pays close attention to the policy direction and market changes, strengthens the dual control of financing, reinforces the integrated operation, continues to optimise the financing structure, seizes the low-cost funds, and improves the efficiency of capital use. We make use of the capital market to carry out capital operation and optimise the capital structure. The Company adheres to the concept of neutral management of exchange rate risk, coordinates the control of foreign exchange risk exposure, strictly adheres to the principle of hedging, prudently carries out foreign exchange hedging business, and takes the initiative to prevent and resolve foreign exchange risks.

6. *Risks associated with bulk commodity prices*

The market prices of engineering-related raw materials and metal mineral resources, which are crucial to the Company's operations, may fluctuate due to changes in the international and domestic macroeconomic environment as well as shifts in market demand. Such fluctuations could impact the Company's production and operation costs, along with its revenue and profits.

To address these commodity market price, the Company will enhance its research and forecasting of trends and policies, thereby adjusting its procurement and sales strategies accordingly. Concurrently, the Company will intensify its exploration efforts to discover new mining opportunities and create favorable conditions for the development and expansion of mines, aiming to increase reserves and boost production. By optimizing production management, strengthening process and equipment management, encouraging scientific research and innovation, implementing technological upgrades, and reducing unit consumption and energy use, the Company will adopt all feasible measures to lower various costs associated with production and operations. This comprehensive approach aims to further achieve cost reduction and efficiency enhancement.

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7. *Risks associated with international operations*

The Company operates its business across multiple countries and regions, where it is subject to various environmental factors such as local political, economic, social, legal, and exchange rate conditions. On the other hand, the global economy faces significant downward pressure, and geopolitical risks continue to intensify. The compounded risks arising from economic downturns and geopolitical uncertainties persist, potentially leading to delays in project completion, cost overruns, claim disputes, difficulties in contract performance, and increased operational risks in mining projects. These factors may adversely affect the revenue and profitability of the Company's overseas operations.

The Company will ensure that its subsidiaries and overseas entities develop scientifically sound safety plans, conduct thorough risk assessments, and implement emergency drills to safeguard the health and safety of employees. Simultaneously, the Company will draw on the lessons and experiences gained from its international operations in market expansion and project execution. It will conduct in-depth research into the policies, regulations, and cultural environments of the regions where overseas projects are located, fostering long-term collaborative relationships with local partners. By securing projects with favorable contractual terms and implementing dynamic oversight of ongoing projects, the Company will strive to reduce the risks associated with its international operations.

8. *Environmental and safety production risks*

The Company is committed to comprehensively strengthening ecological and environmental protection, determined to win the battle against pollution, and adhering to green, low-carbon, and circular development, which have become significant national strategies. Enterprises must elevate their focus on ecological civilization and environmental protection. Engaging in multiple industries such as engineering contracting, real estate development, and resource development, with numerous subsidiaries and affiliated projects, the Company faces high demands for managing ecological and environmental protection effectively. As a construction and production-oriented enterprise, safety risks are present at every stage of the Company's operational activities due to unsafe behaviors by personnel, hazardous conditions of materials, unsafe environmental factors, and management deficiencies, potentially leading to workplace accidents that could harm employee health, cause economic losses, and even tarnish the Company's reputation.

To address these environmental and safety production risks, the Company will actively implement the green development concept of "Lucid waters and lush mountains are invaluable assets". It will earnestly enforce relevant national laws and regulations concerning energy conservation and ecological environmental protection, strictly fulfill corporate primary responsibilities, continuously improve the system of energy-saving and environmental protection regulations, strengthen routine supervision, and proactively carry out environmental pollution prevention and control work. Concurrently, the Company will enhance its awareness of safety, continually refine its safety management system, improve the quality of leadership inspections, solidify safety production responsibilities, deepen hazard identification and rectification, enhance safety production training and education, reinforce safety control over subcontracted teams, enforce serious accountability for accidents, and resolutely prevent major and above-level production safety incidents from occurring.

9. *Risks associated with data fraud or theft*

To safeguard national secrets, protect trade secrets, and uphold national and corporate security, the Company has established a relatively comprehensive confidentiality system. The Company regularly strengthens employees' awareness of confidentiality through various educational and promotional activities. Each year, it conducts random inspections and evaluations of the confidentiality work within its subsidiaries, utilizing methods such as interviews, reviewing systems, examining records, and on-site inspections to comprehensively assess and mandate rectifications within the confidentiality management system. The Company equips itself with domestically produced confidential computers and updates their protective systems in real-time, assigning dedicated personnel for management, strictly adhering to the principle of "no confidential information online, no online information confidential".

During the Reporting Period, the Company did not experience any incidents of data fraud or theft.

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10. *Cyber risk and security*

To effectively prevent and control network and information security risks and enhance security protection capabilities, the Company has constructed a robust security protection system in accordance with relevant national laws, regulations, and institutional requirements concerning cybersecurity. It continuously promotes the optimization and upgrading of enterprise application systems and information infrastructure. Regular reviews and optimizations of security monitoring and protection strategies are conducted, including vulnerability scans on various information systems and server hosts. Identified issues are promptly addressed and reinforced, followed by retesting to ensure a secure and stable data usage environment. Emphasis is placed on enhancing the capability of network exit security protection, deploying firewalls, IDS, IPS, and other cybersecurity devices to defend against external network attacks, thereby ensuring the absolute security of the Company's networks and data.

VII. EXPLANATION ON THE COMPANY'S FAILURE TO MAKE DISCLOSURE IN ACCORDANCE WITH THE STANDARDS DUE TO INAPPLICABILITY OF STANDARDS OR SPECIAL REASONS AND THE REASONS THEREOF

☐ Applicable ☒ Not applicable

XIII. OTHER DISCLOSURES AS REQUIRED BY THE HONG KONG STOCK EXCHANGE

(I) Major Customers and Suppliers

For details of the major customers and suppliers of the Company, please refer to "Information of major sales customers and major suppliers" on page 43 of this report.

None of the Directors, their respective associates or any Shareholders (interested in 5% or more of the share capital to the best knowledge of the Board) has any interest in any of the five largest suppliers or the Company's five largest customers.

(II) Employees

For details of the employees, please refer to "Employees of the Parent Company and Principal Subsidiaries at the end of the Reporting Period" on page 99 of this report.

(III) Reserves and Distributable Reserves

During the Reporting Period, details of movements in the reserves of the Company are set out in the consolidated statement of changes in Shareholders' equity from pages 186 to 187 of this report and Note VII 50 to the consolidated financial statements on page 295.

Pursuant to the Company Law of the People's Republic of China, retained earnings could be distributed as dividends upon deducting statutory surplus reserve. As at 31 December 2024, the retained earnings of the Company amounted to RMB6,140,098 thousand.

(IV) Donation

During the Reporting Period, the Company's external donation amounted a total of approximately RMB5.4118 million, including donations of charitable funds to the city of Markang in Aba Tibetan and Qiang Autonomous Prefecture of Sichuan Province, Ningyuan County of Hunan Province and Ma'anshan City of Anhui Province, donations relating to the Liaoning University of Science and Technology and Inner Mongolia University of Science and Technology, as well as donations of charitable materials and monies to the locations of the Company's overseas projects such as Afghanistan, Pakistan and Papua New Guinea. In addition, the Company allocated RMB17.36 million in aid given gratis to the designated support targets and undertook consumption assistance totaling RMB11.67 million.

For details of public welfare donations and poverty alleviation donations, please refer to "II. Social Responsibility Work" and "III. The Specific Work to Consolidate and Expand the Achievements in Poverty Alleviation and to Promote Rural Revitalization" on pages 124 to 125 in this report.

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(V) Dividends

For the details of the cash dividend distribution proposal of the Company during the Reporting Period, please see “XIV. Proposal for Profit Distribution or Transfer of Capital Reserve to Share Capital” on pages 100 to 101 of this report.

(VI) Properties Held for Development or Sale

Locations	Current land use	Site area (sq.m.)	Floor area (sq.m.)	Status of project	Progress towards completion	Estimated completion date	Percentage of the interest attributable to the Company in the development projects
To the west of Jiangbian Road, east of Huilong Bridge, west of Jiangbian Road, north of Yangtze River Bridge, south of Guihua Road, Xiaguan District, Nanjing City	Sales after development, planned uses are mainly residential, commercial, etc.	321,952.01	1,369,629.06	Under construction	70.15%	2029	98.52%
Nantumen Village and, Hongshila Village, Xinglong Town, Xinglong County, Chengde City, Hebei Province	Sales after development, planned uses are mainly residential, commercial, etc.	739,074.65	895,474.51	Under construction	74.37%	2027	100.00%
No. 333, Hongyanhe Yi Road, Jimo District, Qingdao City	Sales after development, planned uses are mainly residential, commercial, etc.	148,950.00	401,776.75	Completed	100.00%	–	100.00%
Binhai Road, Muping District, Yantai City	Sales after development, planned uses are mainly residential, commercial, etc.	711,882.00	604,732.00	Completed	100.00%	–	51.00%
To the south side of Jingu Street and the west side of Northwest East Road in Sanhe City; to the north side of Jingu South Street and the west side of Northwest East Road	Sales after development, planned uses are mainly residential, commercial, etc.	146,476.00	382,247.47	Under construction	60.00%	2027	100.00%
Jiangbei District, Chongqing	Commercial and residential	678,259.00	383,319.00	Completed	100.00%	–	100.00%

(VII) Risk Factors

For risk factors faced by the Company, please refer to “(IV) Possible risks and response measures taken by the Company” on pages 62 to 66 of this report.

(VIII) The Company’s Environmental Policy and Performance

The Company adheres to the guiding principles of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply implementing the spirit of the 20th CPC National Congress, and actively learning and applying Xi Jinping’s thought on ecological civilization. It strictly complies with national laws, regulations, standards, norms, and policies concerning energy conservation and environmental protection. The Company is committed to vigorously developing green and environmentally friendly industries and earnestly fulfilling its primary responsibilities for ecological and environmental protection. Guided by the three-year action plan for enhancing fundamental management and the five “One” work requirements for project performance management, the Company focuses on key projects, industries, regions, and critical stages to solidly advance environmental protection management.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Firstly, improved the environmental protection system and strengthened risk management. Revised and issued five environmental management systems such as the “Measures for Energy Conservation and Ecological Environmental Protection Management”, further clarifying the latest requirements for environmental control and establishing a long-term ecological environmental monitoring mechanism. Focusing on the core business, we have compiled a list of key environmental risks for key enterprises and industries, established a risk grading and control mechanism, and formulated 6,280 targeted environmental control measures. We require all enterprises to improve their environmental risk control list according to their actual situation, strictly ensure the effective implementation of all prevention and control measures, and ensure the sustainable development and ecological environment safety of the Company.

Secondly, conducted cross-diagnostic activities for environmental protection and promoted the implementation of a shared and co-governance mechanism for environmental management. For the first time, we have organized four subsidiary companies to conduct cross-diagnostic activities for environmental management by “benchmarking and profiling each other (對標對表·相互畫像)”. The diagnosis covers from the headquarters and subsidiary companies to grassroots enterprises and project departments, comprehensively diagnosing the implementation of ecological civilization ideas, ecological environmental responsibilities, risk mechanism construction, and pollution prevention and control work. We conduct a comprehensive management diagnosis from the source to the end for subsidiary companies, identify management shortcomings, and promote the common improvement of environmental management and control capabilities.

Thirdly, strengthened environmental compliance management and carried out special governance. The Company organized a system-wide action to investigate and control environmental risks in the process of construction waste cleaning, transportation, and disposal, and inspected a total of 2,667 projects, with 448 key spot checks and inspections. We further prevent and curb environmental administrative penalties, formulated a special governance plan for environmental administrative penalties, and formulated key points for dust pollution prevention and control and noise pollution prevention and control to prevent environmental administrative incidents and promote the fulfillment of ecological environmental protection responsibilities at all levels of enterprises.

Fourthly, successfully held a national-level green construction observation meeting and established the MCC green low-carbon construction brand. In 2024, the Company obtained a total of 88 evaluations for green design and construction levels from the China Construction Association and China Construction Enterprise Association, an increase of 14% over the same period. During the Reporting Period, we held the 2024 China Construction Enterprise Association’s full lifecycle energy-saving and low-carbon typical engineering observation and exchange meeting (中施企協全生命周期節能低碳典型工程觀摩交流會) in Shanghai. With green and low-carbon construction as the theme, the Company used the Baoshan renewable energy project as a demonstration window to comprehensively publicize and showcase the Company’s leapfrog development achievements in promoting green construction and practicing sustainable green and low-carbon development directions, fully demonstrating the MCC green and low-carbon development brand. The project attracted more than 200 representatives from enterprises and owners to visit and exchange on-site, and the event received attention from a dozen mainstream media outlets.

(IX) Legal Liabilities Which Have Significant Impact on the Company

During the Reporting Period, the Company was not under investigation by judicial authorities or subject to administrative penalties by relevant government authorities due to violation of laws, regulations and policies which have significant impact on the businesses of the Company. For details of the quality control system, compliance with laws and regulations in relation to production safety and operation of the production safety system of the Company, please refer to “7. The Operation of the Quality Control System and Production Safety System of the Company” on pages 52 to 53 of this report.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(X) List of Directors

For the list of Directors during the Reporting Period and as at the date of this report, please refer to “VIII. Particulars of Directors, Supervisors, Senior Management” on pages 78 to 79 of this report.

(XI) Liability Insurance Purchased for Directors and Supervisors

In 2024, the Company renewed the liability insurance of Directors, Supervisors and senior management with Huatai Property Insurance Co., Ltd. and People's Insurance Company of China Limited for Directors, Supervisors, senior management and management personnel with management and supervising responsibilities, thus guaranteeing the full performance of their duties.

(XII) Equity-linked Agreements

During the Reporting Period, no equity-linked agreement was entered into by the Company.

(XIII) Information of Tax Deduction for Holders of Listed Securities

The shareholders of the Company are taxed and/or enjoy tax relief for the dividend income received from the Company in accordance with the Individual Income Tax Law of the People's Republic of China, the Enterprise Income Tax Law of the People's Republic of China, and relevant administrative rules, governmental regulations and normative documents. Please refer to the announcement published by the Company on the website of SSE on 12 July 2024 for the information on income tax in respect of the dividend distributed to the holders of A Shares and on the HKEX news website of Hong Kong Stock Exchange on 11 July 2024 for the information on income tax in respect of the dividend distributed to the holders of H Shares during the Reporting Period.

(XIV) Purchase, Sale or Redemption of Securities of the Company

During the Reporting Period, save as disclosed in the section headed "CORPORATE BONDS" below, neither the Company nor its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares, as defined under Hong Kong Listing Rules). As of the end of the Reporting Period, the Company did not hold any treasury shares.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(XV) Details of Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures Carried Out during the Reporting Period pursuant to the Listing Rules of the Hong Kong Stock Exchange

On 20 September 2024 and 23 September 2024, the Company entered into the investment agreements with the investors, namely ICBC Financial Assets Investment Company Limited* (工銀金融資產投資有限公司) ("ICBC Investment") and ABC Financial Assets Investment Company Limited* (農銀金融資產投資有限公司) ("ABC Investment") (collectively, the "Investor(s)"), as well as China First Metallurgical Group Co., Ltd.* (中國一冶集團有限公司) ("China First Metallurgical"), China Metallurgical Construction Engineering Group Co., Ltd.* (中冶建工集團有限公司) ("MCC Engineering"), China MCC 19 Group Co., Ltd.* (中國十九冶集團有限公司) ("MCC 19"), China MCC 22 Group Co., Ltd.* (中國二十二冶集團有限公司) ("MCC 22"), Shanghai Baoye and China Huaye Group Co., Ltd.* (中國華冶科工集團有限公司) ("China Huaye") (collectively, the "Target Companies") and its other equity holders, pursuant to which, the Investors agreed to increase capital to the Target Companies in cash in accordance with the terms and conditions of the respective investment agreement. The total amount of capital increase by ICBC Investment and ABC Investment are RMB2,713.33 million and RMB2,700.00 million, respectively. Upon the completion of the capital increase, the Target Companies will remain to be the subsidiaries of the Company, and the Company still has actual control over the Target Companies.

After the capital increase, the Company's equity interest in the Target Companies will be diluted. Therefore, the transactions under the investment agreements constitute deemed disposal transactions of the Company under Chapter 14 of the Hong Kong Listing Rules. The China First Metallurgical Investment Agreement was entered into on 20 September 2024, and the transactions contemplated thereunder, on a standalone basis, did not constitute discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules because the highest applicable percentage ratio was below 5%. Having considered the implications of Rules 14.22 and 14.23 of the Listing Rules, the Company aggregated the transactions under the investment agreements by counterparty (by each Investor). As the highest applicable percentage ratios in aggregate exceed 5% but are less than 25%, the transactions contemplated under the investment agreements with ICBC Investment and ABC Investment respectively constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

For details, please refer to the relevant announcements dated 23 September 2024 and 16 October 2024 disclosed by the Company.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

I. EXPLANATION ON CORPORATE GOVERNANCE

During the Reporting Period, adhering to the guidance of Xi Jinping's thought on socialism with Chinese characteristics for a new era, the Company resolutely implemented the "two consistent implementation principles", continuously promoted the unity of strengthening the Party's overall leadership and improving corporate governance, and continued to comply strictly with the laws and regulations including the Company Law, the Securities Law, and the relevant requirements of regulatory authorities, constantly optimized the establishment and operation of governance system of the Company and its subsidiaries. As an important part of the corporate governance structure, the Board, the Finance and Audit Committee, the Party Committee, and the management of the Company discharged their own duties under respective terms of reference, took full responsibility for their own responsibilities and communicate in a timely and effective manner, thus a regulatory mechanism for the co-ordination and efficient operation of all aspects of decision-making, management and supervision has been formed. During the Reporting Period, the corporate governance level of the Company has been further improved, laying a favorable foundation for promoting company development and improving shareholder value.

During the Reporting Period, the Board and its subordinate special committees discharged their duties in strict compliance with the duties and work requirements as authorized by regulatory requirements, and carried out their work pursuant to the Company Law, regulatory rules of the place where the Company's Shares are listed, Articles of Association, Rules of Procedures for General Meeting and the Board of Directors and other relevant requirements. For the purpose of maintaining and increasing the value of the state-owned assets and maximizing Shareholders' interests, the Company continued to follow the function of "making strategy, making decisions, and preventing risks", captured the development opportunity to target strategic layout to dedicate in reform and innovation, continuously and strictly controlled the risks to promote the Company's further transformation and upgrading, and accelerate the promotion of high-quality development.

As of the disclosure date of this report, the Company has five special committees, namely Strategy Committee, Finance and Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Sustainable Development Committee, and established a specialized meeting mechanism for independent Directors in accordance with regulatory requirements. The Board of the Company has attached importance to the role of special committees and independent Directors in professional review, operation supervision and assisting in decision-making, and proactively promoted the day-to-day work of the special committees and independent Directors. The special committees and independent Directors, in line with the duties and authorities, have carefully studied and submitted to the Board for consideration matters of key concerns of the regulatory bodies and small and medium-sized investors, such as the selection and appointment of accountants, nomination and remuneration of Directors and senior executives, the construction of the internal control system, and related transactions in compliance with the laws and regulations. The special committees and independent Directors have played a crucial role in the Company's decision-making on major matters and risk prevention, which effectively ensures that all work of the listed company is lawful, regulated and independent, and lays a good foundation for improving the professional and efficient deliberations and decision-making of the Board.

During the Reporting Period, the Company deeply implemented the spirit of General Secretary Xi Jinping's important remarks on the reform and development of state-owned enterprises and Party building, actively implemented the relevant requirements of the State-owned Assets Supervision and Administration Commission of the State Council on the reform of state-owned enterprises, promoted the deepening and upgrading of reform with high quality, optimized the authorization system of the Board, stimulated endogenous motivation, improved decision-making mechanisms and processes, and enhanced the level and efficiency of business management. During the Reporting period, treating the activity of "Special Enhancement of the Operation of Boards in Subsidiaries" as the starting point, the Company fully exerted its leadership, service, and supervision functions, and focused on improving operation quality of the board of directors of subsidiaries. The board of directors of subsidiaries operate efficiently, and external Directors perform their duties in accordance with the law, resulting in significant reform achievements.

The Board of the Company attaches great importance to environmental, social and governance (ESG) work, implements the new development concept, and adheres to high-quality development. It continuously integrates ESG governance with operation and management, strengthens value creation, improves governance and lays the foundation for sustainable development. It adheres to promoting green development, actively fulfills environmental responsibilities, and continues to practice social responsibilities.

During the Reporting Period, the Company received an information disclosure grade A rating from the SSE for the eighth consecutive year and was awarded honors from capital market such as the "China Listed Company Investor Relations Tianma Award", the 2nd Guoxin Cup ESG Golden Bull Award, and the "Shanghai Stock Exchange · Golden Quality" Corporate Governance Award; won five best practice case awards from the China Association for Public Companies in 2024, including the "Belt and Road", "Board of Directors", "Sustainable Development", "Annual Results Presentation" and "Board Office"; was rated as 5A Secretary to the Board by the China Association for Public Companies.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

Whether the corporate governance has any discrepancies with the laws, administrative regulations and the relevant requirements of the CSRC on the governance of a listed company or not. If yes, reasons shall be explained

☐ Applicable ☒ Not applicable

II. COMPLIANCE OF CORPORATE GOVERNANCE CODE BY THE COMPANY

The Board has reviewed the corporate governance report of the Company. The Board is of the view that during the Reporting Period, the Company has complied with the requirements of the Corporate Governance Code, and adopted recommended best practices as appropriate.

III. THE CORPORATE CULTURE OF THE COMPANY

The Company's history can be traced back to the earliest force in the construction of the iron and steel industry in New China, serving as a pioneer and mainstay of the Chinese iron and steel industry. Since its involvement in the construction of Angang Steel, the "cradle of China's iron and steel industry", in 1948, to the development of WISCO, Baotou Steel, Taigang, Pangang, Baosteel and others, it has undertaken the planning, survey, design, and construction of the main production facilities for nearly all large and medium-sized iron and steel enterprises domestically. It is the foundation of New China's "steel and iron bones". Thus, the Company has accumulated an excellent tradition characterized by bravery, courage, solidarity and struggles, and courage to rise to challenges, which has become the Company's great spiritual wealth. Listening to the Party's command and serving the motherland are our inherent genes, and taking responsibility and overcoming difficulties are our horn of progress. The Company will be guided by the original mission of China Minmetals to serve the country and strengthen the mining industry, and takes on the responsibility of leading China's metallurgical construction and operation national team to a higher level and to the center of the world stage with its leading core technology, continuous innovation capabilities, and irreplaceable advantages in integrating the entire metallurgical industry chain; accelerate the construction of overseas mines for scarce national resources, obtain and expand resource supply channels, enhance the ability to secure national scarce and strategic mineral resources, and play the role of the main force in securing metal resources.

The Company will take "world-class mission responsibility, leading role of independent innovation, problem-oriented work thinking, quality adherence to excellence, and the spirit of daring to win" as its action guide, value orientation, and corporate spirit. It will anchor the Goals for "one building, two most, five strong", that is, guided by the goal of creating a world-class enterprise with global competitiveness, the Company endeavors to be the best overall solution provider for metallurgical construction and operation with super core competitiveness and the internationally renowned and domestically leading general contracting service provider for fundamental construction, so as to become a world-class investment and construction group with strong value creativity, strong market competitiveness, strong innovation driving force, strong resource allocation, and strong cultural soft power. It will focus on cultivating new tracks, building new advantages, and stimulating new momentum, continuously enhance core functions, enhance the core competitiveness of enterprises, continuously promote their transformation and upgrading, and strive to build a world-class investment and construction group.

IV. SPECIFIC MEASURES TAKEN BY CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCIAL, INSTITUTION AND BUSINESSES, ETC., AS WELL AS SOLUTIONS, WORK PROGRESS AND FOLLOW-UP PLANS OF AFFECTING THE INDEPENDENCE OF THE COMPANY

During the Reporting Period, CMGC transferred 44.258% shares of the Company to China Minmetals by gratuitous transfer. Upon the completion of this gratuitous transfer, the direct Controlling Shareholder of the Company has changed to China Minmetals, but the de facto controller of the Company has not changed, still being the SASAC. The Controlling Shareholder China Minmetals and MCC will maintain personnel independence, asset integrity, and financial independence from each other; MCC will still have independent operational capabilities and maintain independence in procurement, production, sales, intellectual property, and other aspects. In order to maintain the independence of the Company's production and operation, and protect the legitimate rights and interests of the Company and all its shareholders, China Minmetals has issued documents such as the "Commitment Letter on Maintaining the Independence of Listed Company", "Commitment Letter on Reducing and Regulating Related Party Transactions", and "Commitment Letter on Avoiding Horizontal Competition", and made clear commitments to ensure the independent operation of the Company (please refer to pages 126 to 128 of this report for details on "I. Performance of Undertakings").

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Company is strictly separated from its Controlling Shareholder and de facto controllers in assets, personnel, finance, corporate and businesses, etc. There is no situation in which there is no guarantee of independence or the ability to operate independently.

The Controlling Shareholders, the de facto controllers and other entities under their control are engaged in the same or similar business as the Company, and the impact of horizontal competition or major changes in the horizontal competition on the Company, the measures taken, the progress of the resolution and the subsequent solution plan when horizontal competition or horizontal competition.

☐ Applicable ☒ Not applicable

V. SUMMARY OF THE GENERAL MEETINGS

Sessions of the meeting	Convening date	Enquiry index of the designated website for the publication of the resolutions	Date of publication of the resolutions	Resolutions of the meeting
2023 Annual General Meeting	25 June 2024	www.sse.com.cn www.hkexnews.hk	25 June 2024	12 ordinary resolutions were considered and approved at the meeting, including the resolution in relation to the "Work Report of the Board of MCC for the Year 2023", the resolution in relation to the "Work Report of the Supervisory Committee of MCC for the Year 2023", the resolution in relation to the report on final accounts of MCC for the year 2023, the resolution in relation to the profit distribution plan of MCC for the year 2023, the resolution in relation to the emoluments of Directors and Supervisors of MCC for the year 2023, the resolution in relation to the plan of guarantees to be provided by MCC for the year 2024, the resolution in relation to the appointment of auditor for financial report and internal control auditor for the year 2024, the resolution in relation to the entering into of Financial Service Agreement with Minmetals Finance Company and the setting of 2025-2027 annual caps for daily connected transactions/continuing connected transactions, the resolution in relation to the setting of 2025 annual caps for daily connected transactions/continuing connected transactions and renewal of the agreement on mutual supply of consolidated raw materials, products and services, the resolution in relation to the asset securitization business plan of MCC, the resolution in relation to the closure of part of the A-share fund raising project and the use of the surplus proceeds for permanent replenishment of liquidity, and the resolution in relation to the amendments to working system of independent Directors; three special resolutions were considered and approved, including the resolution in relation to the domestic bond registration and issuance plan of MCC for the year 2024, the resolution in relation to the granting of general mandate to the Board to issue shares, and the resolution in relation to the amendments to the articles of association.
2024 First Extraordinary General Meeting	30 December 2024	www.sse.com.cn www.hkexnews.hk	30 December 2024	Three ordinary resolutions were considered and approved at the meeting, including the resolution in relation to the provision of guarantees to subsidiaries, the resolution in relation to the election of executive directors of the third session of the Board of the Company, the resolution in relation to the election of independent non-executive directors of the third session of the Board of the Company.

Preferred shareholders with restored voting rights request to convene an extraordinary general meeting

☐ Applicable ☒ Not applicable

Explanation on General Meeting

On 25 June 2024, the Company convened the 2023 Annual General Meeting, where Mr. Chen Jianguang, being the chairman of the Company, Mr. Zhou Jichang, being the Independent Non-executive Director of the Company, Mr. Lang Jia, non-executive Director of the Company, Mr. Liu Li, being the Independent Non-executive Director of the Company, Mr. Chu Zhiqi, being the Supervisor of the Company, and Mr. Wang Zhen, being Secretary to the Board, attended the meeting.

On 30 December 2024, the Company convened the 2024 First Extraordinary General Meeting, where Mr. Chen Jianguang, being the chairman of the Company, Mr. Bai Xiaohu and Ms. Zhou Guoping, being the Director candidates of the Company, Mr. Yin Sisong, being the chairman of the board of supervisor of the Company, Ms. Zhang Yandi and Mr. Chu Zhiqi, being the Supervisors of the Company, and Mr. Wang Zhen, being Secretary to the Board, attended the meeting.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

VI. COMPOSITION OF THE BOARD

At the beginning of 2024, the members of the third session of the Board of the Company were Mr. Chen Jianguang, the chairman and executive Director, Mr. Zhou Jichang, the Independent Non-executive Director, Mr. Lang Jia, the non-executive Director, Mr. Liu Li and Mr. Ng, Kar Ling Johnny, the Independent Non-executive Directors, and Mr. Yan Aizhong, the employee representative Director. On 30 December 2024, Mr. Bai Xiaohu was elected as the executive Director of the third session of the Board of the Company at the 2024 first extraordinary general meeting, and Ms. Zhou Guoping was elected as the Independent Non-executive Director of the third session of the Board of the Company. The members of the third session of the Board of the Company have been changed to: Mr. Chen Jianguang, the chairman and executive Director; Mr. Bai Xiaohu, the executive Director and vice president; Mr. Zhou Jichang, the Independent Non-executive Director; Mr. Lang Jia, the non-executive Director; Mr. Liu Li, the Independent Non-executive Director; Mr. Ng, Kar Ling Johnny, the Independent Non-executive Director; Ms. Zhou Guoping, the Independent Non-executive Director; and Mr. Yan Aizhong, the employee representative Director. Mr. Bai Xiaohu and Ms. Zhou Guoping have obtained legal advice on the provisions of the Hong Kong Listing Rules which are applicable to their roles as Directors on 30 December 2024. Mr. Bai Xiaohu and Ms. Zhou Guoping confirmed that they understand their responsibilities acting as Directors. On 12 March 2025, the Board received a written resignation report from Mr. Zhou Jichang, the Independent Non-executive Director of the Company, who resigned from his positions as the Independent Non-executive Director of the Company as he has served continuously as an Independent Non-executive Director of the company for six years. The members of the third session of the Board of the Company have been changed to: Mr. Chen Jianguang, the chairman and executive Director; Mr. Bai Xiaohu, the executive Director and vice president; Mr. Lang Jia, the non-executive Director; Mr. Liu Li, the Independent Non-executive Director; Mr. Ng, Kar Ling Johnny, the Independent Non-executive Director; Ms. Zhou Guoping, the Independent Non-executive Director; and Mr. Yan Aizhong, the employee representative Director.

None of the Independent Non-executive Directors of the Board held any position of the Company other than the Directors of the Company. Among them, Mr. Ng, Kar Ling Johnny has expertise in the fields of finance and accounting, in compliance with the Hong Kong Listing Rules. Pursuant to the confirmation of independence from each of the Independent Non-executive Directors pursuant to Rule 3.13 of the Hong Kong Listing Rules, the Company is of the view that each of the Independent Non-executive Directors is independent. All the Independent Non-executive Directors are able to give objective and independent opinions on decisions, thus ensuring the independence and fairness of the decisions made by the Board. All of the Directors have performed their duties with loyalty, integrity and diligence to serve the interests of the Company and all the Shareholders.

Save for their services to the Company, there is no financial, business or family relationship among the Directors and between them and the presidents, nor any other material relationship among them.

During the Reporting Period, the Company purchased liability insurance for all Directors.

In terms of Board member diversity, there are six mainland Directors and one Hong Kong Director on the Board; in terms of professional background, the Board comprises senior experts in corporate management as well as professionals in finance, legal and human resources; in terms of personal career experience, the Board comprises corporate executives as well as experts and scholars who have worked in government, universities and accounting firms for many years. On 30 December 2024, Ms. Zhou Guoping was elected as the Independent Non-executive Director of the third session of the Board of the Company at 2024 first extraordinary general meeting to meet the requirement of gender diversity among board members. The diversified Board brings diversified ways of thinking to the Company, forming a good complement to each other and promoting scientific decision-making of the Board.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

During the Reporting Period, through study and training, all Directors practically enhanced their duty performance capability and updated the professional knowledge and skills required for the performance of their duties. The specific contents of training/study participated by Directors during the Reporting Period are as follows:

Name of Directors	Date of training	Contents of training/study
Incumbent		
Chen Jianguang	November 2024	The 12th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
Lang Jia	July 2024	The 4th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
	November 2024	The 12th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
Liu Li	July 2024	The 4th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
	November 2024	The 12th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
Ng, Kar Ling Johnny	July 2024	The 4th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
	August 2024	2024 Phrase IV Follow-up Training for Independent Directors of Listed Companies organized by SSE
	November 2024	The 10th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
	November 2024	The 12th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
	December 2024	Special Training on "Key Points and Suggestions for Anti-Fraud Performance of Independent Directors of Listed Companies" at the SSE
Yan Aizhong	November 2024	The 12th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
Zhou Guoping	November 2024	Independent Director Performance Training at the SSE Independent Director Performance Learning Platform
	December 2024	Special training on "Key Points and Suggestions for Anti-Fraud Performance of Independent Directors of Listed Companies" at the SSE
Resigned		
Zhou Jichang	July 2024	The 4th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024
	November 2024	The 12th Special Training for Directors and Supervisors of the Beijing Association of Listed Companies in 2024

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

VII. DUTIES AND OPERATION OF THE BOARD

The Board is elected at, and accountable to, general meetings. In accordance with the requirements of the Articles of Association, the Board is mainly responsible for convening general meetings, and reporting the work to general meetings; implementing the resolutions of general meetings; deciding the Company's strategies and plans, and deciding the Company's business and investment plans; deciding matters such as major investment and finance, asset acquisition and disposal, asset mortgage, financial support, entrusted asset management, external donation and connected transactions of the Company within the authorization of general meetings; the formulation of the Company's annual financial budgets and final accounts; developing the Company's profit distribution plan and loss recovery plan; formulating plans for increasing or reducing registered capital of the Company; formulating plans for issuing bonds or other securities, and the listing of the Company; formulating plans for major acquisitions, stock acquisitions, mergers, divisions, dissolution, or changes in corporate form of the Company; deciding the establishment of the Company's internal management structure; appointing or dismissing the Company's president and the secretary to the Board based on the chairman's nomination; appointing or dismissing senior management personnel such as vice president and finance director of the Company based on the nomination of the president; organizing the assessment, determining the assessment plan, assessment results, salary distribution, and reward and punishment matters; developing the Company's basic management system; developing the amendments to the Articles of Association; developing the Company's equity incentive plan; managing information disclosure matters; proposing to general meeting to appoint or replace the accounting firms for auditing; listening to the work report of the Company's president and inspecting the president's work; electing the chairman and vice chairman of the Company; deciding the establishment or dissolution of branches; determining the specific implementation plan for the merger, division, restructuring and other matters of the Company's subsidiaries; determining the salary, benefits, reward and punishment policies and plans for employees; determining the Company's risk management and internal control system, including risk assessment, financial control, internal audit and internal control evaluation, legal risk control, etc., and monitoring their implementation; deciding the establishment of special committees of the Board, appointing or dismissing the chairmen of each special committee of the Board; deciding the asset mortgage and pledge matters set by the Company for its own debts; deciding the provision of guarantees for the Company's loan; deciding the Company's annual off-budget expenses; determining the Company's legal compliance management system, and conducting overall monitoring and evaluation of the Company's legal compliance management system and its effective implementation; formulating important reform plans for the Company according to the laws, administrative regulations, departmental rules, or provisions of the Articles of Association, and other powers granted by general meetings. In addition, pursuant to the requirements of the Corporate Governance Code, the Board undertakes corporate governance functions such as formulating corporate governance policy and practice, monitoring trainings for Directors and senior management and supervising the Company's compliance of laws and regulations, as well as the Corporate Governance Code.

Under the leadership of the Board, the management of the Company executes the resolutions of the Board and is responsible for the daily operation and management of the Company.

The roles of chairman and president of the Company are segregated. The chairman and the president of the Company perform their respective duties in accordance with the relevant requirements regarding division of duties set out in rules such as the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for President.

The chairman is mainly responsible for presiding over general meetings and convening and presiding over Board meetings, checking and facilitating the implementation of the resolutions of the Board, nominating candidates for the secretary to the Board, supervising and examining the performance of each special committee under the Board, organizing and formulating rules for the operation of the Board, coordinating the operation of the Board, receiving regular or irregular work reports submitted by the senior officers of the Company and advising on the implementation of the resolutions of the Board, and performing other duties required by laws, administrative regulations, department regulations or the Articles of Association, and authorized by the Board.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

The president is accountable to the Board and is mainly responsible for taking charge of the Company's production, operation and management and reporting his work to the Board, coordinating to implement resolutions of the Board, coordinating to implement the Company's annual business plans and investment plans formulated by the Board, drafting plans for the establishment of the Company's internal management structure, drafting the Company's basic management system, formulating specific rules and regulations of the Company; proposing to the Board to appoint or dismiss the vice president of the Company and the financial officer; appointing or dismissing other management personnel other than those who shall be appointed or dismissed by the Board; signing important legally binding documents on behalf of the Company under the authorization of the legal representative of the Company; preparing the plan of merger, demerger and restructuring of subsidiaries of the Company; preparing the plan of establishment of the branch offices of the Company; and preparing the salary, benefits and award and punishment policies and programs of the employees of the Company; entrusting by the Board to exercise special dispositive power over the affairs of the Company in compliance with the provisions of the law and the interests of the Company in the event of force majeure or major critical circumstances that render it impossible to convene a Board meeting in time in case of emergency, and to report to the Board thereafter; formulating a plan for the establishment of a legal compliance management system of the Company, and organizing the implementation thereof after approval by the Board; and other powers and functions as stipulated in the laws, administrative regulations, departmental rules and regulations, or in the Articles of Association, and as conferred by the Board.

In order to ensure that the Board receives independent views and opinions, the Company clearly stipulates in the Rules of Procedure for the Board of Directors that a Director may obtain information required for decision-making from the Company and relevant persons and organs, and may also suggest that representatives of relevant persons and organs attend the meeting to explain the relevant circumstances. If a Director needs to obtain advice from an independent professional intermediary in order to properly fulfil the Director's responsibilities and obligations to the Company, the Director may make a reasonable request to the Board to that effect, and the Board may pass a resolution to provide the Director with the advice of the professional intermediary, and the Company shall bear the relevant intermediary fees. The Company has implemented the above mechanism to effectively ensure the independence of the Directors. The Board has reviewed the implementation and effectiveness of the mechanism during the Reporting Period and concluded them to be effective.

Directors are accountable to financial reports. When preparing the financial statements for the year ended 31 December 2024, Directors have chosen and applied appropriate accounting policies and made prudent and reasonable judgments and estimations to truly and fairly reflect the position, results and cash flow of the financial year. The statement made by the auditor of the Company on their reporting responsibilities is set out in the "Auditor's Report" beginning on page 168 of this annual report.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

VIII. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Particulars of changes in shareholding and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period

Unit: share

Name	Position	Gender	Age	Commencement date of term of office	Date of Termination of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares during the year	Reason for the changes	Total remuneration before tax obtained from Company during the Reporting Period (RMB'000)	Whether obtained remuneration from the connected parties of the Company
Incumbent											
Chen Janguang	Chairman and executive Director	Male	58	2022-01-26	Till the formation date of the fourth session of the Board	0	0	0	-	0	Yes
Bai Xiaohu	Executive Director	Male	57	2024-12-30	Till the formation date of the fourth session of the Board	0	0	0	-	147.94	No
	Vice president			2020-08-28	Upon reappointment/dismissal by the Board						
Lang Jia	Non – executive Director	Male	71	2022-01-26	Till the formation date of the fourth session of the Board	0	0	0	-	27.56	No
Liu Li	Independent Non – executive Director	Male	69	2022-01-26	Till the formation date of the fourth session of the Board	0	0	0	-	29.66	No
Ng, Kar Ling Johnny	Independent Non – executive Director	Male	64	2020-04-29	Till the formation date of the fourth session of the Board	0	0	0	-	29.66	No
Zhou Guoping	Independent Non – executive Director	Female	65	2024-12-30	Till the formation date of the fourth session of the Board	0	0	0	-	0	No
Yan Aizhong	Employee representative Director	Male	57	2020-08-31	Till the formation date of the fourth session of the Board	0	0	0	-	142.64	No
Yin Sisong	Chairman of the Supervisory Committee	Male	61	2020-10-15	Till the formation date of the fourth session of the Board	28,100	28,100	0	-	113.34	No
Zhang Yandi ^(Note 1)	Supervisor	Female	46	2019-03-12	Till the formation date of the fourth session of the Supervisory Committee	0	0	0	-	0	No
Chu Zhiqi ^(Note 1)	Supervisor	Male	54	2019-03-12	Till the formation date of the fourth session of the Supervisory Committee	0	0	0	-	0	No
Zeng Jianzhong	Vice President	Male	59	2019-03-12	Upon reappointment/dismissal by the Board	0	0	0	-	144.15	No
Zhu Guangxia	Vice President	Male	45	2020-08-28	Upon reappointment/dismissal by the Board	0	0	0	-	144.15	No
Wang Zhen	Secretary to the Board	Male	51	2022-12-16	Upon reappointment/dismissal by the Board	0	0	0	-	120.29	No
Resigned											
Zhou Jichang ^(Note 2)	Independent Non – executive Director	Male	74	2019-03-12	2025-03-12	0	0	0	-	29.36	No
Zou Hongying ^(Note 3)	Vice president, chief accountant	Female	60	2019-03-12	2024-12-27	40,000	40,000	0	-	133.11	No
Liu Fuming ^(Note 4)	Vice president	Male	61	2019-03-12	2024-04-25	0	0	0	-	52.77	No
Qu Yang ^(Note 5)	Vice president	Male	54	2019-03-12	2025-01-26	70,000	70,000	0	-	144.15	No
Total	/	/	/	/	/	138,100	138,100	0	-	1,258.79	/

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- Notes:*
1. Ms. Zhang Yandi and Mr. Chu Zhiqi receive remuneration only from the relevant subsidiaries as a result of their positions in the subsidiaries of the Company.
 2. On 12 March 2025, the Board received a written resignation report from Mr. Zhou Jichang, the Independent Non-executive Director of the Company, who resigned from his positions as the Independent Non-executive Director of the Company as he has served continuously as an independent non-executive director of the company for six years. (For details, please refer to the relevant announcement disclosed by the Company on 12 March 2025)
 3. On 27 December 2024, the Board received a written resignation report from Ms. Zou Hongying, the Vice President and Chief Accountant of the Company, who resigned from her positions as the Vice President and Chief Accountant of the Company as she had reached the statutory retirement age. (For details, please refer to the relevant announcement disclosed by the Company on 28 December 2024)
 4. On 25 April 2024, the Board received a written resignation report from Mr. Liu Fuming, the Vice President of the Company, who resigned from his position as the Vice President of the Company due to personal reasons. (For details, please refer to the relevant announcement disclosed by the Company on 26 April 2024)
 5. Mr. Qu Yang holds H shares of the Company; on 26 January 2025, the Board received a written resignation report from Mr. Qu Yang, the Vice President of the Company, who resigned from his position as the Vice President of the Company due to adjustment of his work arrangement. (For details, please refer to the relevant announcement disclosed by the Company on 5 February 2025)

Biographical details of current Directors, Supervisors and senior management

Name	Major work experience
Chen Jianguang	Born in April 1966, Chinese nationality with no right of abode overseas, Mr. Chen is currently the Chairman, executive Director, and the secretary of the Party Committee of the Company, and concurrently serves as a member of the Communist Party Committee and a vice general manager of China Minmetals Corporation as well as the Chairman of CMGC. Mr. Chen previously served as Manager of Overseas Section, director of the office, Assistant to chairman, the secretary to the board of directors and deputy chief accountant of China Construction Second Engineering Bureau Co. Ltd ("CCSEB"). He served as the chief accountant, deputy director and member of the standing committee of the Communist Party Committee from January 2003 to February 2006 of CCSEB. He served as the director, general manager and deputy secretary of the Communist Party Committee of CCSEB from February 2006 to December 2007. He served as chairman of the board of directors and secretary of the Communist Party Committee of CCSEB from December 2007 to December 2019, during the period concurrently served as the chairman of the board of directors of Power Construction Corporation of China Ltd. He served as the general manager of the investment department of China State Construction Engineering Corporation from December 2019 to October 2021. He served as the member of the Communist Party Committee and the deputy general manager of China Minmetals Corporation since October 2021, and the chairman of the board of directors and secretary of the Party Committee of CMGC since December 2021; he has served as the chairman of the Company since January 2022, and the secretary of the Party Committee of the Company since December 2024. Mr. Chen graduated from Guangdong University of Foreign Studies, majoring in English (bachelor's degree), and University of Chinese Academy of Sciences (中國科學院大學), majoring in management science and engineering (doctoral graduate). Mr. Chen is a senior economist.

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Name	Major work experience
Bai Xiaohu	<p>Born in January 1968, Chinese nationality with no right of abode overseas, and is currently the executive Director, the member of the Standing Committee of the Party Committee and the vice president of the Company. Mr. Bai successively served as deputy chief economist of the operation department, deputy director of the marketing department, deputy manager of the project department of the Guangzhou Higher Education Mega Center, manager at Guangzhou branch and manager of the engineering project department of Guangzhou Higher Education Mega Center, general manager of the south China branch, general manager of the Guangzhou branch, and secretary of its General Party Branch in Shanghai Baoye Construction Co., Ltd.* (上海寶冶建設公司); assistant to general manager and head of the general contracting department, deputy general manager of Shanghai Baoye Group Corp., Ltd.* (上海寶冶集團有限公司); and general manager of the Henan branch of the Company* (中國中冶河南分公司). From October 2015 to October 2016, he served as chairman of the board of directors, general manager, deputy secretary of the party committee and secretary of the party committee in China Metallurgical Oriental Holdings Corp., Ltd.* (中冶東方控股有限公司), and general manager of the Henan branch of the Company* (中國中冶河南分公司). From October 2016 to March 2017, he served as director, general manager and deputy secretary of the party committee of Shanghai Baoye Group Corp., Ltd.* (上海寶冶集團有限公司) and chairman of the board of directors, general manager, and secretary of the party committee in China Metallurgical Oriental Holdings Corp., Ltd.* (中冶東方控股有限公司) and general manager of the Henan branch of the Company* (中國中冶河南分公司). From March 2017 to October 2020, he served as chairman of the board of directors and secretary of the party committee of Shanghai Baoye Group Corp., Ltd.* (上海寶冶集團有限公司), and he has been serving as vice president of the Company since August 2020 and the executive Director of the Company since December 2024. Mr. Bai majored in industrial electrical automation at the Automation Control Department of Xi'an University of Architecture and Technology* (西安冶金建築學院), from which he graduated with a bachelor's degree in engineering. Currently, Mr. Bai is a professorate senior engineer and senior economist.</p>
Lang Jia	<p>Born in February 1954, Chinese nationality with no permanent right of abode overseas, Mr. Lang currently serves as a non-executive Director of the Company. Mr. Lang previously served as a division-Head level cadre of Executive Office of the Liaoning Provincial Government, procurator of Supreme People's Procuratorate of the People's Republic of China and the head of the secretarial division of the general office from August 1992 to February 1996; deputy director of the discipline inspection office in the China National School of Administration from August 1996 to June 2001; Director of the discipline inspection office of China National School of Administration (Director) and the Deputy Secretary of the Council's Party Committee from June 2001 to June 2006; a member of the Communist Party Committee, Discipline Inspection Team Leader and chief legal counsel of China Electronics Corporation from June 2006 to December 2014; Director of China Electronics Corporation from March 2008 to 2014; Chairman of the Supervisory Committee of China Greatwall Technology Group CO., LTD. from August 2006 to July 2014; the chairman of CRIDC from July 2013 to December 2014 and an external director of China Minmetals Corporation from April 2015 to July 2021. Mr. Lang graduated with a bachelor's degree in Chinese from Liaoning Normal University in July 1982 and participated in a one-year training course for the middle-aged and youth organized by the Central Community Party School in 2003.</p>

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Name	Major work experience
Liu Li	<p>Born in September 1955, Chinese nationality with no permanent right of abode overseas, Mr. Liu currently serves as an independent non-executive Director of the Company, the Professor of Guanghua School of Management of Peking University, the independent director of China Galaxy Securities Co., Ltd and the external supervisor of Cinda Asset Management Co., Ltd. Mr. Liu Li taught at Beijing Institute of Iron and Steel from September 1984 to December 1985, and has been teaching in Guanghua School of Management (formerly known as Economic Management Department of School of Economics) of Peking University since January 1986. Mr. Liu was an independent non-executive director of listed companies, including Bank of Communications Co., Ltd., CNPC Capital Company Limited and China International Capital Corporation Limited, etc. Mr. Liu served as an external director of Metallurgical Corporation of China Ltd. from December 2006 to September 2008 and an independent non-executive Director of the Company from November 2008 to November 2014. Mr. Liu obtained a master degree in physics from Peking University in July 1984 and MBA from Catholic University of Louvain in Belgium in July 1989.</p>
Ng, Kar Ling Johnny	<p>Born in December 1960, Mr. Ng is a resident of the Hong Kong Special Administrative Region, currently serves as an independent non-executive Director, and concurrently serves as an independent director of China Telecom Corporation Limited (中國電信股份有限公司). He is concurrently a vice director member of the third session of the Independent Director Specialized Committee of China Association for Public Companies (中國上市公司協會). Mr. Ng obtained a bachelor's degree and a master's degree in business administration from the Chinese University of Hong Kong in 1984 and 1999, respectively. Mr. Ng joined KPMG (Hong Kong) in 1984 and became a partner in 1996. He subsequently became the vice chairman of KPMG (China). He is currently a practicing certified public accountant in Hong Kong, a practicing auditor and certified public accountant in Macau, a fellow member of the Hong Kong Institute of Certified Public Accountants (FCPA), a fellow member of the Association of Chartered Certified Accountants (FCCA), and a fellow member of the Institute of Chartered Accountants in England and Wales (FCA).</p>
Zhou Guoping	<p>Born in February 1960, Chinese nationality with no right of abode overseas, Ms. Zhou currently serves as an independent non-executive Director of the Company. From March 1992 to September 1996, Ms. Zhou successively served as deputy director of the comprehensive planning department, assistant director and director of the comprehensive planning department and the planning and finance department of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from September 1996 to October 1999, she served as the deputy manager of the planning and finance department and the fund management department of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from October 1999 to October 2003, she successively served as the manager of the planning and finance department and the finance department, and the general manager of the finance department of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from October 2003 to December 2009, she served as the assistant to the general manager of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from December 2009 to January 2015, she served as the chief economist of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from January 2015 to September 2016, she served as the chief economist and general counsel of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from September 2016 to February 2020, she served as the chief economist of China National Building Material Group Co., Ltd.* (中國建材集團有限公司). Ms. Zhou graduated from Wuhan Institute of Building Materials Industry* (武漢建築材料工業學院) with a bachelor's degree in engineering majoring in Building Materials Machinery and later obtained an EMBA degree from Xiamen University* (廈門大學), and is qualified as a professor-grade senior engineer.</p>

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Name	Major work experience
Yan Aizhong	<p>Born in June 1967, Mr. Yan is of Chinese nationality with no right of abode overseas and is currently the employee representative Director and deputy secretary of the Party Committee of the Company, and also serves as the employee representative Director of CMGC. Mr. Yan successively served as the deputy secretary of the Party Committee (presided over the work), the secretary of the Discipline Committee, Chairman of the Trade Union, the secretary of the Party Committee of the Machinery and Electric Branch of China Second Metallurgical Construction Corporation Limited* (subsequently renamed as China Second Metallurgical Group Corporation Limited* ("CSMGC")), and an assistant to the general manager of CSMGC. He served as the deputy general manager, the deputy secretary of the Party Committee, the secretary of the Discipline Committee and the chairman of the labor union of CSMGC from January 2010 to September 2012, the head of the Party Committee promotion department of the Company from September 2012 to January 2013, the director of the general office of the Company from January 2013 to November 2014 (during which, he concurrently served as the director of the general office to the board of directors of the Company from May 2014 to November 2014). He served as the head of Party Committee organization department of the Company and the head of human resources department from November 2014 to May 2016. He served as the head of Party Committee organization department of the Company from May 2016 to March 2022. He has been a Supervisor of MCC from August 2016 to March 2019, and has been an assistant to the president of MCC from May 2017 to March 2018. Mr. Yan has been the vice president of the Company from March 2019 to September 2019. He served as the deputy secretary of the Company since September 2019 and the deputy secretary of the Party Committee of CMGC. Since August 2020, he has served as the employee representative Director of the Company and the employee representative Director of CMGC. Mr. Yan graduated from the mechanical and electrical engineering department of Baotou Iron & Steel College, majoring in industrial electrical automation, with a bachelor's degree, and from Inner Mongolia Autonomous Region Committee Party School, majoring in economic management, with a postgraduate degree. Mr. Yan is a professorate senior engineer.</p>
Yin Sisong	<p>Born in March 1964, Chinese nationality with no right of abode overseas, Mr. Yin currently serves as the chairman of the Supervisory Committee of the Company and also serves as the chairman of the Supervisory Committee of CMGC. Mr. Yin joined China MCC 17 Construction Co., Ltd. (hereinafter referred to as "MCC 17") in August 1983. Since September 1991, he served successively as secretary of the Youth League Committee and director of the Chemical Plant of the Eighth Company of MCC 17. From December 1996, he served successively as deputy manager of Mechanical and Electrical Installation Company and manager of Huafeng Company of MCC 17. Since December 2002, he served successively as deputy secretary of the Party Committee, secretary of the Disciplinary Committee, chairman of the Labor Union and deputy general manager of MCC 17. From May 2010 to November 2014, he served successively as director of the Corporate Culture Department, director of the Party and Mass Work Department, director of the Human Resources Department and deputy director of the Organization Department of the Party Committee of the Company. From November 2014 to September 2016, he served as director of the General Office, director of the Office of the board of directors, director of the Work Department of the Supervisory Committee and director of the Office of the Party Committee of the Company. From September 2016 to April 2018, he served as director of the General Office of China Minmetals Corporation. From April 2018 to July 2020, he has served as director of the General Office (later renamed as Office), director of the Party Group Office, director of the Office of the board of directors, director of the Administrative Service Center of China Minmetals Corporation, chairman of the Supervisory Committee of CMGC since July 2020 and chairman of the Supervisory Committee of the Company since October 2020. Mr. Yin graduated from Chaohu Teachers College (巢湖師範專科學校), majoring in physics (diploma), and graduated from Anhui Institute of Business Administration (安徽工商管理學院), majoring in business administration (postgraduate). Mr. Yin is a senior political engineer and senior economist.</p>

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Name	Major work experience
Zhang Yandi	<p>Born in March 1979, Chinese nationality, with no right of abode overseas, Ms. Zhang currently serves as a Supervisor of the Company, and serves as a supervisor of CMGC. Ms. Zhang served successively as the business manager of the planning and finance department of CMGC. She served as the deputy head of the planning and finance division of the planning and finance department (head office) of the Company from June 2010 to October 2012, as the deputy head of the accounting information division and the accounting management division of the finance department of the Company from October 2012 to July 2014, as the head of the accounting management division of the planning and finance department (debt clearance office) of the Company from July 2014 to February 2017, and as the general manager of the financial accounting department of MCC Capital Engineering & Research Incorporation Limited (中冶京誠工程技術有限公司) from February 2017 to March 2018. She has been serving as the deputy head of the capital department of the Company from March 2018 to June 2021, a supervisor of CMGC since August 2018 and a supervisor of the Company since March 2019; she served as the head of the capital department of the Company from June 2021 to May 2022; since May 2022, he has been a member of the Party Committee of China Non-ferrous Engineering Co., Ltd. and the assigned chief accountant and deputy general manager of China ENFI Engineering Corporation. Ms. Zhang graduated from the accounting department of the School of Economics and Management of North China University of Technology (北方工業大學) with a bachelor's degree in economics in 2000, and from the accounting department of the School of Economics and Management of Beijing Jiaotong University (北京交通大學) with a master's degree of management in 2004. Ms. Zhang is a senior accountant and certified accountant.</p>
Chu Zhiqi	<p>Born in December 1970, Chinese nationality with no right of abode overseas, Mr. Chu currently serves as an employee representative Supervisor of the Company, and concurrently serves as an employee representative supervisor of CMGC. Mr. Chu Zhiqi successively worked in Bureau of Materials in Dingzhou City, Hebei Province (河北省定州市物資局), CRBC International Co., Ltd. (路橋建設國際股份有限公司), CCCC Third Highway Engineering Co., Ltd. (中交三公局) and CCCC Fourth Highway Engineering Co., Ltd. (中交四公局). He joined MCC Inner Mongolia Construction & Investment Co., Ltd. (中冶內蒙古建設投資有限公司) and the Command of MCC Transportation Inner Mongolia Highway Project (中冶交通內蒙古高速公路項目指揮部) in July 2015. He served as the director of the finance department of MCC Inner Mongolia Construction & Investment Co., Ltd. and the Command of MCC Transportation Inner Mongolia Highway Project from October 2015 to March 2016, the director of the audit and supervisory department of MCC Inner Mongolia Construction & Investment Co., Ltd. and the Command of MCC Transportation Inner Mongolia Highway Project from March 2016 to June 2016, the secretary of the Discipline Committee of MCC Inner Mongolia Construction & Investment Co., Ltd. and the secretary of the discipline inspection and working commission of the Command of MCC Transportation Inner Mongolia Highway Project from June 2016 to April 2018. He served as the deputy director of the supervisory department (later renamed the discipline inspection department) of the Company from April 2018 to December 2021. He has been an employee representative supervisor of CMGC since August 2018, an employee representative Supervisor of the Company since March 2019 and the deputy director of finance department (subsequently renamed Capital Operations Center) of the Company from December 2021 to August 2023; since August 2023, he served as the member of the Party Committee and Secretary of the Discipline Inspection Committee of MCC Ecological Environmental Protection Group Co., Ltd. Mr. Chu graduated from Hebei Material School as a secondary student majoring in material finance accounting. Mr. Chu obtained a college diploma in economic management from Correspondence College of the Party School of Hebei Province (河北省委黨校函授學院), and an undergraduate degree in accounting from Jiangxi Economic Management Cadre Institute (江西省經濟幹部管理學院). He is a certified accountant.</p>

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Name	Major work experience
Zeng Jianzhong	<p>Born in October 1965, Chinese nationality with no right of abode overseas, Mr. Zeng is currently the member of the Standing Committee of the Party Committee and the vice President of the Company. Mr. Zeng successively served as the deputy director and the director of the Gas Office and the director of the Gas Ventilation Office of Beijing Iron and Steel Design and Research Institute (北京鋼鐵設計研究總院) under the Ministry of Metallurgy, and the general manager of the Technical Institute of Energy and Environmental Engineering of Capital Engineering & Research Incorporation Limited (中冶京誠工程技術有限公司). He served as an assistant to the president of Capital Engineering & Research Incorporation Limited and concurrently served as the general manager of the Technical Institute of Energy and Environmental Engineering, the general manager of the engineering control department, the general manager of municipal and public facilities engineering department, and the general manager of the metallurgical engineering department. He served as the deputy head (at the ministry level) of the domestic engineering management department and the head of the construction project quota station of metallurgical industry of the Company and the head of the domestic engineering management department (subsequently renamed as the domestic market development department) from June 2013 to May 2017. He served as an assistant to the president of the Company from May 2017 to April 2018 and concurrently the head of the domestic market development department. He has been the vice president of the Company since April 2018. Mr. Zeng Jianzhong graduated from the chemical machinery department of Dalian Institute of Technology, majoring in chemical equipment and machinery, with a bachelor's degree. Mr. Zeng is a professorate senior engineer.</p>
Zhu Guangxia	<p>Born in July 1979, Chinese nationality with no right of abode overseas, Mr. Zhu is currently the member of the Standing Committee of the Party Committee and the vice President of the Company. Mr. Zhu successively served as deputy head and head of the First Electrical Installation Engineering Division of China MCC17 Group Co., Ltd., assistant manager of the mechanical and electrical installation company, and manager at Project Management Department of Jiuquan Iron and Steel (Group) Co., Ltd., manager of the Gansu Branch of China MCC17 Group; deputy general manager of China MCC17 Group and general manager with the Gansu Branch of the Company; from July 2016 to November 2017, he served as director, general manager and deputy Party committee secretary of China Second Metallurgy Group Corporation Limited; from November 2017 to July 2019, he served as chairman, general manager, and deputy secretary of the Party Committee at Second Metallurgy and chairman and Party secretary of Second Metallurgy from July 2019 to July 2020; from January 2020 to August 2020, he served as assistant to the president of the Company; since August 2020, he has been serving as vice president of the Company. Mr. Zhu graduated from Xi'an University of Architecture and Technology, where he majored in engineering management. Mr. Zhu is a professorate senior engineer.</p>
Wang Zhen	<p>Born in November 1973, Chinese nationality and without the right of abode overseas. Mr. Wang is currently the secretary to the Board, a joint company secretary, director of the office, director of the Party Committee office, director of the Board office of the Company. Mr. Wang successively served as the deputy manager of the South Korean group of the second business department of China National Coal Industry Import and Export Group, deputy director of the office of China Coal Energy Company Limited and deputy director of the general office of China National Coal Group Corporation; and he served as a member of the Party Committee and the secretary of the Disciplinary Committee of China Nonferrous Engineering Co., Ltd. from October 2014 to January 2019, served as deputy secretary of the Party Committee and secretary of the Disciplinary Committee of China Nonferrous Engineering Co., Ltd. and the director of China ENFI Engineering Corporation from January 2019 to September 2019, and served as the director of the Company's party-mass work department (Party Committee propaganda department, corporate culture department), deputy secretary of the Party Committee of the Headquarters, and vice chairman of the labor union from September 2019 to January 2022, the Company's director of the office, director of the Party Committee office, director of the Board office (office of the board of supervisors) since January 2022, and the vice chairman of the Company's labor union, director of the office, director of the Party Committee office, director of the Board office (office of the board of supervisors), and deputy secretary of the Party Committee of the Headquarters since March 2022. Mr. Wang served as the secretary to the Board and a joint company secretary from December 2022. Mr. Wang obtained a bachelor's degree in economics majoring in English (Foreign Trade) from the Faculty of Foreign Trade and Foreign Language of Nankai University and a master's degree in economics majoring in international trade (international engineering management) from the University of International Business and Economics and is a senior idealistic mentor.</p>

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(II) Employment status of current and resigned Directors, Supervisors and senior management during the Reporting Period

1. Employment status at shareholder entities

Name	Name of shareholder entities	Position in shareholder entities	Commencement date of term of office	Date of Termination of Office
Incumbent				
Chen Jianguang	China Minmetals Corporation	Member of Communist Party Committee, Deputy general manager	October 2021	–
	China Metallurgical Group Corporation	Chairman	December 2021	–
		Secretary of the Communist Party Committee	December 2021	January 2025
Bai Xiaohu	China Metallurgical Group Corporation	Member of the standing committee of the Communist Party Committee	July 2020	January 2025
Yan Aizhong	China Metallurgical Group Corporation	Employee Representative Director	August 2020	–
		Deputy secretary of the Communist Party Committee	September 2019	January 2025
Yin Sisong	China Metallurgical Group Corporation	Chairman of the Supervisory Committee	July 2020	–
Zhang Yandi	China Metallurgical Group Corporation	Supervisor	August 2018	–
Chu Zhiq	China Metallurgical Group Corporation	Employee representative Supervisor	August 2018	–
Zeng Jianzhong	China Metallurgical Group Corporation	Member of the standing committee of the Communist Party Committee	March 2018	January 2025
Zhu Guangxia	China Metallurgical Group Corporation	Member of the standing committee of the Communist Party Committee	July 2020	January 2025
Resigned				
Zou Hongying	China Metallurgical Group Corporation	Member of the standing committee of the Communist Party Committee	October 2016	November 2024
Qu Yang	China Metallurgical Group Corporation	Member of the standing committee of the Communist Party Committee	October 2016	December 2024
Liu Fuming	China Metallurgical Group Corporation	Deputy general manager	September 2019	May 2024
Positions in Shareholder Entities	Nil			

2. Employment status at other entities

Name	Name of other entities	Position in other entities	Commencement date of term of office	Date of Termination of Office
Incumbent				
Ng, Kar Ling Johnny	China Petroleum & Chemical Corporation	Independent Non-Executive Director	May 2018	May 2024
	China Telecom Corporation Limited	Independent Non-Executive Director	January 2023	–
Liu Li	Research Center of Finance & Securities of Peking University	Professor	September 1997	–
	China Galaxy Securities Co., Ltd.	Independent Non-Executive Director	January 2024	–
	Cinda Asset Management Co., Ltd.	External Supervisor	August 2022	–
Resigned				
Zhou Jichang	Fretech Road Recycling Technology(Holdings) Limited (英達公路再生科技(集團)有限公司)	Non-Executive Director	February 2021	–
	Zhejiang Communications Technology Co., Ltd.	Independent Non-Executive Director	December 2022	–
Positions in other entities	Nil			

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

(III) Remuneration of Directors, Supervisors and senior management

Determination procedures for remuneration of Directors, Supervisors and senior management	The remuneration of Directors and Supervisors of the Company who are not representatives of employees shall be reviewed and approved by the general meeting. The remuneration of senior management is subject to the management regulations of the upper authorities and is proposed by the Remuneration and Appraisal Committee of the Board, reviewed and approved by the Board and reported to the superior management department for filing.
Whether Directors recuse themselves from the Board's discussions on their remuneration	Yes
Details of special meetings of the Remuneration and Appraisal Committee or independent Directors issuing recommendations on matters relating to the remuneration of Directors, Supervisors and senior management	On 27 March 2024, the first meeting of the Remuneration and Appraisal Committee of the third session of the Board of the Company in 2024 considered the Resolution on the Emoluments of Directors and Supervisors of the Company for the Year 2023, agreed to the resolution and submitted it to the Board for deliberation. On 30 December 2024, the second meeting of the Remuneration and Appraisal Committee of the third session of the Board of the Company in 2024 considered the Resolution on the Emoluments of Senior Management of the Company for the Year 2023, agreed to the resolution and submitted it to the Board for deliberation.
Basis for determination of remuneration of Directors, Supervisors and senior management	The remuneration of the non-executive Directors and independent non-executive Directors of the Company is determined according to the market level and the actual situation of the Company. Executive Directors do not receive remuneration for their positions as directors, but receive remuneration according to their positions in the Company and their assessments. The Supervisors of the Company obtain remuneration in accordance with the remuneration and assessment management policies of the headquarters or the positions they hold. The remuneration of the senior management of the Company shall be implemented in accordance with the management regulations of the superior department and the remuneration management policies of the senior management of the Company.
Remuneration actually paid to Directors, Supervisors and senior management	RMB12,587,900
Total actual remuneration received by all Directors, Supervisors and senior management at the end of the Reporting Period	RMB12,587,900

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The remuneration of Directors and Supervisors in office of the Company in 2024 as of the end of the Reporting Period was as follows:

Name	Total of basic salary, housing allowances and other allowances	Pension scheme contributions (pension insurance borne by the Company)	Performance remuneration	Total annual remuneration
Chen Jianguang	0	0	0	0
Bai Xiaohu	1,040,545.00	70,471.68	368,360.00	1,479,376.68
Zhou Jichang	293,600.00	0	0	293,600.00
Lang Jia	275,600.00	0	0	275,600.00
Liu Li	296,600.00	0	0	296,600.00
Ng, Kar Ling Johnny	296,600.00	0	0	296,600.00
Zhou Guoping	0	0	0	0
Yan Aizhong	1,037,339.00	66,184.32	322,850.00	1,426,373.32
Subtotal of Directors	3,240,284.00	136,656.00	691,210.00	4,068,150.00
Yin Sisong	490,937.00	21,690.24	620,800.00	1,133,427.24
Zhang Yandi	0	0	0	0
Chu Zhiqi	0	0	0	0
Subtotal of Supervisors	490,937.00	21,690.24	620,800.00	1,133,427.24

During the Reporting Period, no Directors or Supervisors of the Company waived any emoluments and no emoluments were paid by the Company to any of the Directors or Supervisors as an inducement to join or upon joining the Company or as compensation for loss of office.

(IV) Changes of Directors, Supervisors and senior management of the Company

Name	Position	Change	Reason
Bai Xiaohu	Executive Director, Member of the standing committee of the Communist Party Committee, Vice President	Appointed	As required by work
Zhou Guoping	Independent Non-executive Director	Appointed	As required by work
Zhou Jichang	Independent Non-executive Director	Resigned	Expiration of the term of office
Zou Hongying	Member of the standing committee of the Communist Party Committee, Vice President, Chief Accountant	Resigned	Retired due to age
Liu Fuming	Member of the standing committee of the Communist Party Committee, Vice President	Resigned	Personal reason

(V) Penalties imposed by securities regulatory authorities in recent three years

☐ Applicable ☒ Not applicable

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

(VI) Other disclosures required by the Hong Kong Stock Exchange

1. *Management contracts*

Apart from the service contracts of management personnel of the Company, the Company has not entered into any contract with any individual, company or body corporate to manage or handle the whole department or any material part of the Company's business.

2. *Directors' and Supervisors' interests in contracts*

During the Reporting Period and as at the end of the Reporting Period, none of the Directors or Supervisors, unless disclosed in the relevant announcements, directly or indirectly had a material interest in any transaction, arrangement and contract of significance to the Company that was entered into by the Company, its subsidiaries or subsidiaries of its holding company.

3. *Directors' interests in business competing with the Company*

During the Reporting Period and as of the latest practicable date before the publication of this report (being 28 March 2025), none of the Directors had any interests in any business that competes or is likely to compete, either directly or indirectly, with the business of the Company.

4. *Directors' and Supervisors' service contracts*

None of the Directors and Supervisors of the Company had entered into a service contract with the Company or any of its subsidiaries that is not determinable within one year without payment of compensation (other than statutory compensation).

5. *Directors' and Supervisors' rights regarding share acquisition*

During the Reporting Period and as at the end of the Reporting Period, there is no arrangement in which the Company or its subsidiaries or holding companies or the subsidiaries of the holding companies act as a party, and which enables any Directors or Supervisors of the Company or any of their spouses or offspring under the age of eighteen to obtain benefits by means of the acquisition of shares, or debentures of, the Company or any other corporate entity.

6. *Model code for securities transactions by Directors and Supervisors*

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as the codes governing the dealings in the Company's securities by the Directors and Supervisors. Having made specific enquiries with all the Directors and Supervisors, all the Directors and Supervisors of the Company confirmed that they and their respective associates had fully complied with the required standards provided by the above code during the Reporting Period.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

IX. BOARD MEETINGS HELD DURING THE REPORTING PERIOD

Sessions of the meeting	Convening date	Resolutions of the meeting
The fifty-sixth meeting of the third session of the Board	2024.1.22	The Meeting considered and approved 8 resolutions, including the 2024 Budget Report of MCC and the 2024 Investment Plan Report of MCC.
The fifty-seventh meeting of the third session of the Board	2024.3.28	The Meeting considered and approved 27 resolutions, including the Resolution on the 2023 Annual Report of MCC and the Resolution on the 2023 Financial Accounts Report of MCC.
The fifty-eighth meeting of the third session of the Board	2024.4.29	The Meeting considered and approved the Resolution on the First Quarterly Report of MCC for 2024 and the Report on Updating the List of Connected Parties of MCC.
The fifty-ninth meeting of the third session of the Board	2024.5.16	The Meeting considered and approved 3 resolutions, including the Resolution on Amendments to the Articles of Association of Metallurgical Corporation of China Ltd.*, and the Resolution on Adjustment of MCC to the Cap of Related Transactions with CMC Finance Co., Ltd..
The sixtieth meeting of the third session of the Board	2024.6.6	The Meeting considered and approved 4 resolutions, including the Resolution on Handling the Renewal of Liability Insurance for Directors and Supervisors and the Resolution on the Integration of Shanghai Baoye Group Corp. Ltd. and MCC Road & Bridge Construction Co., Ltd..
The sixty-first meeting of the third session of the Board	2024.6.19	The Meeting considered and approved the Resolution on Formulating the Business Management System of MCC and the Resolution on MCC's Waiver of the Right of First Refusal to the Equity of MCC South China Construction Investment Co., Ltd..
The sixty-second meeting of the third session of the Board	2024.7.19	The Meeting considered and approved 5 resolutions, including the Resolution on Determining the Specific Remuneration for the Review Institution of the 2024 Semi-annual Financial Report of MCC and the Signing of Business Agreements, and the Resolution on the 2024 Internal Control Evaluation Work Plan of the Company.
The sixty-third meeting of the third session of the Board	2024.8.29	The Meeting considered and approved 11 resolutions, including the Resolution on the 2024 Semi-annual Report of MCC, the Resolution on the Financial Report of MCC for the First Half of 2024 and the Resolution on the 2024 Semi-annual Impairment provision of MCC.
The sixty-fourth meeting of the third session of the Board	2024.10.29	The Meeting considered and approved 7 resolutions, including the Resolution on the Third Quarterly Report of MCC for 2024 and the Resolution on the 2023 Profit Distribution Plan of the Subsidiary of MCC.
The sixty-fifth meeting of the third session of the Board	2024.11.29	The Meeting considered and approved 5 resolutions, including the Resolution on the Nomination of Director Candidates by CMGC and the Resolution on the Nomination of Independent Non-Executive Director Candidates by CMGC.
The sixty-sixth meeting of the third session of the Board	2024.12.24	The Meeting considered and approved 6 resolutions, including the Resolution on the Determination Related to the Specific Remuneration for the Financial Report Audit Institution of MCC for 2024 and the Signing of the Business Engagement Letter and the Resolution on the Comprehensive Risk Management Report of MCC for 2024.
The sixty-seventh meeting of the third session of the Board	2024.12.30	The Meeting considered and approved the Resolution on the Adjustment to the Members of the Special Committees of the Board of MCC, the Resolution on the Consideration of Comprehensive Risk Management Report of MCC for 2025 and the Resolution on the Proposed Plan for the Remuneration of Senior Management of MCC for 2023.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

X. THE PERFORMANCE OF DUTIES BY DIRECTORS

(I) Attendance of Directors at Board Meetings and General Meetings

								Attendance at general meetings
Name of Directors	Whether they are independent Directors	Attendance at Board Meetings						Number of general meetings attended
		Number of attendance at Board meetings required for the year	Number of meetings attended in person	Number of meetings attended via communication	Number of meetings attended by proxy	Number of absence	Whether they did not attend in person for two times consecutively	
Chen Jianguang	No	12	12	6	0	0	No	2
Bai Xiaohu	No	1	1	1	0	0	No	1
Zhou Jichang	Yes	12	12	6	0	0	No	1
Lang Jia	No	12	12	6	0	0	No	1
Liu Li	Yes	12	12	6	0	0	No	1
Ng, Kar Ling Johnny	Yes	12	12	7	0	0	No	0
Zhou Guoping	Yes	1	1	1	0	0	No	1
Yan Aizhong	No	12	11	6	1	0	No	0

Explanation on the absence from Board meeting for two times consecutively

☐ Applicable ☒ Not applicable

Number of Board meetings held during the year	12
Including: Number of on-site meetings	5
Number of meetings convened via communication	6
Number of meeting convened by combination of on-site meeting and communication	1

(II) Objections on Relevant Issues of the Company Raised by Directors

☐ Applicable ☒ Not applicable

(III) Others

☐ Applicable ☒ Not applicable

XI. THE SPECIAL COMMITTEE UNDER THE BOARD

(I) Members of the Special Committees under the Board

Category of the Special Committees	Name of the members
Finance and Audit Committee	Convener: Ng, Kar Ling Johnny (Independent Non-executive Director) Committee member: Liu Li (Independent Non-executive Director), Zhou Guoping (Independent Non-executive Director)
Nomination Committee	Convener: Zhou Guoping (Independent Non-executive Director) Committee member: Chen Jianguang (Executive Director, Chairman of the Board), Liu Li (Independent Non-executive Director)
Remuneration and Appraisal Committee	Convener: Liu Li (Independent Non-executive Director) Committee member: Lang Jia (Non-executive Director), Zhou Guoping (Independent Non-executive Director)
Strategy Committee	Convener: Chen Jianguang (Executive Director, Chairman of the Board) Committee member: Bai Xiaohu (Executive Director, Vice President), Lang Jia (Non-executive Director)
Sustainable Development Committee	Convener: Lang Jia (Non-executive Director) Committee member: Bai Xiaohu (Executive Director, Vice President), Ng, Kar Ling Johnny (Independent Non-executive Director), Zhou Guoping (Independent Non-executive Director)

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

(II) Strategy Committee

1. *Performance of the Strategy Committee*

In accordance with the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Strategy Committee, the Strategy Committee is accountable to the Board and is mainly responsible for conducting research and giving recommendations on the Company's mid-to-long term development strategies and major investment decisions; conducting research on and give recommendations on major investment and financing plans, capital operation and asset management projects; the Committee also has other powers and functions conferred by the Board.

During the Reporting Period, the Strategy Committee did not convene any meetings.

(III) Finance and Audit Committee

1. *Performance of the Finance and Audit Committee*

In accordance with the requirements of the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Finance and Audit Committee, the Finance and Audit Committee is accountable to the Board and is mainly responsible for reviewing the Company's financial information and its disclosure, as well as supervising and evaluating internal and external audits and internal controls. The following matters shall be submitted to the Board for consideration upon obtaining the consent of more than half of all members of the Finance and Audit Committee: disclosure of financial accounting reports and financial information in periodic reports, internal control evaluation reports; appointment or dismissal of accounting firms undertaking the Company's audit business; appointment or dismissal of the Company's financial officer; changes in accounting policies or estimates, or correction of significant accounting errors for reasons other than changes in accounting standards; other matters stipulated by laws, administrative regulations, the CSRC, and the Articles of Association.

2. *During the Reporting Period, the Finance and Audit Committee held a total of 9 meetings*

Convening date	Meeting content	Important comments and suggestions	Other performance of duties
22 January 2024	The first meeting of the Finance and Audit Committee under the third session of the Board in 2024 received the 2024 Budget Report of MCC and the 2024 Investment Plan Report of MCC, and considered the Resolution on the 2024 Foreign Exchange Preservation Business Plan of MCC, and the Resolution on the Amendments to the Work System of Independent Directors of MCC and the Work Rules of Four Specialized Committees, Formulation of the Work Rules for Specialized Meetings of Independent Directors of MCC, and Abolition of the Work System of Annual Report of Independent Directors of MCC and the Work System of Annual Report of the Finance and Audit Committee under the Board of MCC.	The meeting agreed to the above resolutions and reports and submitted them to the Board of the Company for consideration. The meeting considered that the arrangements for the preparation of the Company's budget and investment plan for 2024 were comprehensive, scientific and reasonable, adhered to the new development concept of seeking progress amidst stability, and was in line with the Company's strategic requirements and operational condition of the Company. The meeting put forward opinions and suggestions on the improvement of the "two funds", the increase in gross profit margin and the solution to risks in critical areas.	-

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

Convening date	Meeting content	Important comments and suggestions	Other performance of duties
15 March 2024	The second meeting of the Finance and Audit Committee under the third session of the Board in 2024 received the Report on the Matters Relating to China MCC3 and the Transfer of Debts and Liabilities of Certain subsidiaries of MCC and the Report on Ernst & Young Hua Ming Relating to the Process of Auditing the Annual Report.	The meeting considered that the Company needs to further improve its internal control management.	Communication with Ernst & Young Hua Ming in relation to the audit process and preliminary findings of the 2023 Annual Report of MCC was made.
27 March 2024	The third meeting of the Finance and Audit Committee under the third session of the Board in 2024 received three reports including the Report on the 2024 Internal Audit Work Plan of China Metallurgical Group Corporation Limited and considered five resolutions including the Resolution on the 2023 Annual Report of MCC and the Resolution on the Financial Accounts Report of MCC for 2023.	The meeting agreed to the above resolutions and reports and submitted them to the Board of the Company for consideration. The meeting considered that the preparation of the annual report and financial accounts of the Company for 2023 complies with the relevant provisions of the regulators and the Listing Rules, and reflects the actual situation of the Company in an objective, complete and fair manner. The meeting provided comments and suggestions on matters such as the Company's ability to improve operating cash flow, strengthen project management and risk control, enhance financial management of subsidiaries and strengthen overseas project management.	Communication with Ernst & Young Hua Ming in relation to the audit of the 2023 financial report of MCC was made.
29 April 2024	The fourth meeting of the Finance and Audit Committee under the third session of the Board in 2024 considered the Resolution on the First Quarterly Report of MCC for 2024.	The meeting agreed to the above resolution and submitted the same to the Board of the Company for consideration. The meeting considered that the preparation of the Company's 2024 First Quarterly Report complies with the relevant requirements of the Ministry of Finance, the SSE and the relevant regulations of the CSRC on the disclosure of information by listed companies, which objectively reflects the economic operation and financial status of the Company in the first quarter.	–
19 July 2024	The fifth meeting of the Finance and Audit Committee under the third session of the Board in 2024 received the Report on the Company's 2024 Internal Control Evaluation Work Plan, and considered the Resolution on the Determination Related to the Specific Remuneration for the Semi-annual Financial Report Audit Institution of MCC for 2024 and the Signing of the Business Engagement Letter.	The meeting agreed to the above resolution and report and submitted them to the Board of the Company for consideration.	–

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

Convening date	Meeting content	Important comments and suggestions	Other performance of duties
28 August 2024	The sixth meeting of the Finance and Audit Committee under the third session of the Board in 2024 received the Report on Ernst & Young Hua Ming Related to the Review of Financial Report of MCC for the First Half of 2024, and considered 4 resolutions including the Resolution on the Semi-annual Report of MCC for 2024.	The meeting agreed to the above resolutions and reports and submitted them to the Board of the Company for consideration. The meeting was of the view that the preparation of the 2024 semi-annual report and the semi-annual financial report of the Company complied with the relevant requirements of the regulatory authorities and the Listing Rules, and objectively, completely and fairly reflected the actual situation of MCC. The meeting provided comments and suggestions on matters such as the Company's ability to coordinate the relationship between the scale and quality of corporate development, pay attention to macroeconomic changes, and protect the investment returns of various types of shareholders.	Communication with Ernst & Young Hua Ming in relation to the audit of 2024 semi-annual financial report of MCC was made.
29 October 2024	The seventh meeting of the Finance and Audit Committee under the third session of the Board in 2024 received the Ernst & Young Hua Ming's Report on MCC's Audit Work Plan for 2024 and the Report on the Internal Control and Risk Management Inspection Report for 2024, and considered the Resolution on the Third Quarterly Report of MCC for 2024.	The meeting agreed to the above resolution and reports and submitted them to the Board of the Company for consideration. The meeting considered that in the third quarter, the Company achieved certain results due to its reduction in the gearing ratio, the decline in the Company's profit narrowed, the growth momentum of the two funds was curbed, accomplishing the phased task of deleveraging and risk reduction. The meeting provided comments and suggestions on matters such as the Company's ability to improve operating cash flow and accelerate the liquidation of real estate inventory.	Communication with Ernst & Young Hua Ming in relation to the audit work plan for 2024 of MCC was made.
24 December 2024	The eighth meeting of the Finance and Audit Committee under the third session of the Board in 2024 considered the Resolution on Determining the Specific Remuneration for the Audit Institution of the 2024 Semi-annual Financial Report of MCC and the Signing of Business Agreements, and the Resolution on the Comprehensive Risk Management Report of MCC for 2024.	The meeting agreed to the above resolutions and submitted them to the Board of the Company for consideration. The meeting agreed to the remuneration arrangements for the main auditor, Ernst & Young Hua Ming LLP, and the participating auditors, Grant Thornton Zhitong Certified Public Accountants LLP, BDO China SHU LUN PAN Certified Public Accountants LLP, and Baker Tilly China Certified Public Accountants LLP.	—
31 December 2024	The ninth meeting of the Finance and Audit Committee under the third session of the Board in 2024 considered the Resolution on the Consideration of the Report on Comprehensive Risk Management of MCC for 2025.	The meeting agreed to the above resolution and submitted the same to the Board of the Company for consideration.	—

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

(IV) Nomination Committee

1. *Performance of the Nomination Committee*

Pursuant to the requirements of the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Nomination Committee, the Nomination Committee is accountable to drawing up criteria and procedures for the selection of Directors and senior management, selecting and reviewing the selection of Directors and senior management and their qualifications for appointment, and exercising the following specific powers and duties: it is responsible for studying and formulating the criteria, procedures and methods for the selection of Directors, president and other senior management of the Company, and making recommendations to the Board; selecting and reviewing the selection of Directors, president and other senior management and their qualifications for appointment, and making recommendations to the Board; making recommendations to the Board on the nomination or dismissal of Directors, and the appointment or dismissal of senior management; stipulating the Board diversity policy (including gender, age, culture and education background or professional experience) in accordance with strategy, business model and specific needs of the Company, and studying and examining the structure, size and composition of the Board at least once per year, evaluating the independence of independent non-executive Directors, and discharging other duties authorized by the Board (including but not limited to the relevant principles in Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules and the proposed powers and functions in the code provisions).

During the Reporting Period, the members of the Nomination Committee reviewed the structure, size and composition of the Board, which, in their opinion, were consistent with the Articles of Association, regulatory requirements and business requirements of the Company. The composition of the Directors of the special committees of the Board was based on the professional knowledge, expertise and previous experience of the Directors, which gave full play to the professional knowledge and skills of the Directors.

2. *During the Reporting Period, the Nomination Committee held 1 meeting*

Convening date	Meeting content	Important comments and suggestions
29 November 2024	The first meeting of the Nomination Committee under the third session of the Board in 2024 considered the Resolution on the Nomination of Director Candidates by CMGC and the Resolution on the Nomination of Independent Non-Executive Director Candidates by CMGC.	The meeting agreed to the above resolutions and submitted them to the Board for consideration.

(V) Remuneration and Appraisal Committee

1. *Performance of the Remuneration and Appraisal Committee*

Pursuant to the requirements of the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Remuneration and Appraisal Committee, the Remuneration and Appraisal Committee is accountable to formulating the evaluation criteria for Directors and senior management and conducting the evaluation, preparing and reviewing the remuneration policies and programs such as the mechanism for determining the remuneration of Directors and senior management, the decision-making process, and the arrangements for the payment and stoppage of recourse. The Remuneration and Appraisal Committee shall specifically exercise the following powers and functions: studying and formulating standards for the appraisal of Directors and senior management, organizing the appraisal and making recommendations; studying and formulating the remuneration policy, remuneration and performance appraisal plan, reward and punishment proposal for Directors and senior management; formulating or changing the Company's share incentive scheme and employee share ownership scheme, granting of rights and benefits to the targets of the incentives and fulfillment of the conditions for exercising the rights and benefits; arranging share ownership schemes for Directors and senior management in the subsidiaries proposed to be spun off; and exercising such other powers and functions conferred by the Board as well as other powers and functions that may be exercised by the Remuneration and Appraisal Committee as stipulated in the rules of the Listing Rules of the place of listing of the Company's shares (including but not limited to the relevant principles in Appendix C1 stipulated in the Hong Kong Listing Rules Corporate Governance Code and the proposed powers and functions in the code provisions).

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

2. *During the Reporting Period, the Remuneration and Appraisal Committee convened 2 meetings*

Convening date	Meeting content	Important comments and suggestions
27 March 2024	The first meeting of the Remuneration and Appraisal Committee under the third session of the Board in 2024 considered the Resolution on the Remuneration of Directors and Supervisors of MCC for 2023.	The meeting agreed on above resolution and submitted it to the Board for consideration.
30 December 2024	The second meeting of the Remuneration and Appraisal Committee under the third session of the Board in 2024 considered the Resolution on the Proposed Salary Plan for MCC's senior executives in 2023.	The meeting agreed on above resolution and submitted it to the Board for consideration.

(VI) Sustainable Development Committee

1. *Performance of the Sustainable Development Committee*

Pursuant to the requirements of the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Sustainable Development Committee, the Sustainable Development Committee is mainly responsible for studying on major decisions related to the Company's sustainable development (including environmental, social and governance) and making recommendations to the Board; overseeing the implementation and progress of the Company's sustainable development strategies and plans; overseeing the Company's commitment and performance in addressing key issues such as climate change, health and safety and social responsibility performance and making recommendations to the Board; following important information on sustainable development issues related to the Company's business, studying issues related to the Company's sustainable development and making recommendations to the Board; reviewing the Company's Environmental, Social and Governance Report (ESG Report) or Social Responsibility Report and making recommendations to the Board; other terms of reference exercisable by the Sustainable Development Committee as may be prescribed or recommended by the listing rules of the place where the Company's shares are listed (including but not limited to the terms of reference set out in the Environmental, Social and Governance Reporting Guidelines in Appendix C2 of the Hong Kong Listing Rules); and other duties authorized by the Board.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

2. *During the Reporting Period, the Sustainable Development Committee convened 3 meetings*

Convening date	Meeting content	Important comments and suggestions
28 March 2024	The first meeting of the Sustainable Development Committee of under the third session of the Board in 2024 considered the MCC 2023 Annual Social Responsibility Report and ESG (Environmental, Social and Governance) Report, and the Report on the Law Compliance Work of the Company for 2023.	The meeting agreed on above resolutions and submitted them to the Board for consideration. The meeting noted that in recent years, the SASAC has increasingly emphasized the importance of legal compliance management. Moving forward, the Company needs to continuously raise the political position, advance the construction of its legal and compliance systems, strengthen compliance management in key areas and critical processes, effectively prevent and promptly address compliance risks, and take effective measures to enhance the level of law-based enterprise governance and compliance management; the Company needs to pay high attention to compliance risks in overseas operations, familiarize with policies, clarify boundaries, avoid pitfalls, and effectively manage risk control; the Company needs to enhance internal company training, especially for subsidiaries at all levels, to reinforce the concept of compliant operations from the top down and raise the legal compliance awareness of all employees.
29 April 2024	The second meeting of the Sustainable Development Committee of under the third session of the Board in 2024 received the Report on the Work of the Company in 2023 in respect of Safety, Quality and Environmental Protection.	The meeting put forward opinions and suggestions on safety management, quality management, and ecological environmental protection.
28 August 2024	The third meeting of the Sustainable Development Committee of under the third session of the Board in 2024 received the Report on the Work of the Company in the First Half of 2024 in respect of Safety, Quality and Environmental Protection, and the Report on the Compliance Work of the Company in the First Half of 2024.	The meeting recognized the Company's work in the first half of the year in compliance, safety, quality and environmental protection management, and put forward opinions and suggestions on promoting the construction of the Company's rule of law and compliance system, improving the safety mechanism, enhancing the environmental risk control, and strengthening environmental protection assessment.

(VII) Explanations on Objections

☐ Applicable ☒ Not applicable

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

(VIII) Special Meetings of Independent Directors

1. *Convening of Special Meetings of Independent Directors*

In accordance with the Articles of Association, the Rules of Procedures for Board Meetings, the Work Measures for Independent Directors and the Work Rules for of Specialized Meetings of Independent Directors, the independent Directors owe a duty of loyalty and diligence to the Company and all Shareholders, and shall conscientiously perform their duties in accordance with the laws, administrative regulations, the rules of the CSRC, the business rules of the stock exchanges and the Articles of Association of the Company, play the roles of participation in decision-making, supervision, checks and balances and professional consultation in the Board, and safeguard the interests of the Company as a whole as well as protect the lawful rights and interests of the small and medium-sized Shareholders. Special meetings of independent Directors are convened irregularly based on work requirements, attended exclusively by the Company's independent Directors, and are specifically held to enable independent Directors to effectively perform their duties and fulfill their roles. The following matters shall be submitted to the Board for consideration only after they have been considered at the special meeting of independent Directors and agreed by a majority of all independent Directors of the Company: related-party transactions that require disclosure; proposals for changes in or waivers of undertakings by the Company and related parties; decisions and measures taken by the Board in relation to the acquisition of the Company in the event of a takeover of the Company; and other matters stipulated by laws, administrative regulations, the CSRC, exchange rules, and the Articles of Association.

2. *During the Reporting Period, the Special Meetings of Independent Directors convened 3 meetings*

Convening date	Meeting content	Important comments and suggestions
27 March 2024	The first special meeting of independent Directors under the third session of the Board considered the Resolution on setting Annual Caps for Daily Related Party Transactions/Continuing Connected Transactions in 2025, the Resolution on Appointing an Independent Financial Advisor to Review Related Party Transaction Matters, the Proposal in relation to the Entering into of the Financial Services Agreement between MCC and CMC Finance Co., Ltd., the Resolution on the Risk Disposal Plan for Financial Business Conducted Between MCC and CMC Finance Co., Ltd. and the Resolution on MCC's 2023 Annual Risk-Based Continuing Assessment Report on CMC Finance Co., Ltd..	The meeting considered that the relevant related party transaction matters involve comprehensive and complete materials, and the related party transactions are reasonable and lawful economic actions, that there were no circumstances that were detrimental to the interests of the Company or the Shareholders, and that it was fair and reasonable as far as the Company and the Shareholders were concerned. The meeting agreed on the relevant resolutions and submitted them to the Board for consideration.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

Convening date	Meeting content	Important comments and suggestions
16 May 2024	The second special meeting of independent Directors under the third session of the Board considered the Resolution on Adjustment to the Amount of Related Party Transactions between MCC and CMC Finance Co., Ltd..	The meeting considered that the adjustment to the amount of related party transaction with CMC Finance Co., Ltd. was in compliance with the relevant requirements of the regulatory authorities, in line with the interests of the Company and the Shareholders of the Company as a whole, and that there were no circumstances that were detrimental to the interests of the Company or the Shareholders, and that it was fair and reasonable as far as the Company and the Shareholders were concerned. The meeting agreed on the resolution and submitted it to the Board for consideration.
28 August 2024	The third special meeting of independent Directors under the third session of the Board considered the Resolution on the 2024 Semi-Annual Continuous Risk Assessment Report of CMC Finance Co., Ltd. by MCC.	The meeting considered that the risk of carrying out deposits and other financial businesses between the Company and CMC Finance Co., Ltd. was controllable, did not affect the Company's independence, did not have the risk of being occupied by related parties, or did not jeopardize the interests of the Company and small and medium-sized Shareholders. The meeting agreed on the resolution and submitted it to the Board for consideration.

XII. EXPLANATION ON THE RISKS OF THE COMPANY IDENTIFIED BY THE SUPERVISORY COMMITTEE

☐ Applicable ☒ Not applicable

The Supervisory Committee had no objection to the supervision items during the Reporting Period.

During the Reporting Period, the Supervisory Committee of the Company held a total of 4 meetings of the Supervisory Committee with details as follows:

Sessions of the meeting	Convening date	Resolutions of the meeting
The twenty-seventh meeting of the Third Supervisory Committee	28 March 2024	The meeting considered and approved eleven resolutions, including the Resolution on the 2023 Annual Report of MCC.
The twenty-eighth meeting of the Third Supervisory Committee	29 April 2024	The meeting considered and approved the Resolution on the First Quarterly Report of MCC for 2024.
The twenty-ninth meeting of the Third Supervisory Committee	29 August 2024	The meeting considered and approved four resolutions, including the Resolution on the 2024 Semi-annual Report of MCC.
The thirtieth meeting of the Third Supervisory Committee	29 October 2024	The meeting considered and approved the Resolution on the Third Quarterly Report of MCC for 2024.

CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

XIII. EMPLOYEES OF THE PARENT COMPANY AND PRINCIPAL SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

(I) Employees

Number of existing staff of the parent company	399
Number of existing staff of principal subsidiaries	97,090
Total number of existing staff	97,489
Number of resigned or retired staff to whom the parent company and principal subsidiaries are liable	109,825

Composition of professions

Type of profession	Number of professionals
Engineering contracting	79,111
Featured business	16,171
Comprehensive real estate	2,207
Total	97,489

Educational Level

Category of Educational Level	Number (in persons)
Above postgraduate	16,351
Undergraduate	56,932
College degree	11,950
Below college degree	12,256
Total	97,489

As of the end of the Reporting Period, the Company had a total of 97,489 employees, including 78,182 male employees and 19,307 female employees. The Company always strictly abides by the "Labor Law of the People's Republic of China" and other relevant laws and regulations, protects the legitimate rights and interests of employees, and provides equal employment opportunities for employees of different genders, insists on equal pay for equal work and puts an end to gender discrimination in accordance with the principle of equal employment.

(II) Remuneration policies

The Company implements a market-oriented and performance-based remuneration system. In accordance with applicable regulations, the Company establishes basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund for employees. In accordance with applicable laws and regulations, the above social insurance and housing provident fund are paid in strict accordance with national, provincial and municipal regulations. The Company has also established enterprise annuities for employees in accordance with applicable regulations and with the approval of higher units.

(III) Training programs

In 2024, the Company carried out extensive education and trainings for cadres and employees in accordance with the stratified and layered management pattern, with 93,328 participants during the year, and the political capabilities of talents at all levels of operation and management, professional and technical talents, and technical talents were further reinforced, while professional capabilities and practical skills were continuously improved, which provided solid talent underpinning for the Company's production and operation, and reform and development.

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(IV) Outsourcing of labor service

☐ Applicable

☒ Not applicable

XIV. PROPOSAL FOR PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE TO SHARE CAPITAL

(I) Formulation, implementation or adjustment of cash dividend distribution policy

The profit distribution policy as required in the Articles of Association is set out as follows:

1. *Basic principles of the Company's profit distribution policy:*

- (1) The Company shall take full account of return to investors and distribute dividend in the sum of stipulated proportion of the Company's distributable profit for the year concerned.
- (2) The Company's profit distribution policy shall maintain continuity and stability in the interest of the Company in the long term and that of all Shareholders as a whole and in line with the sustainable development of the Company.
- (3) The Company gives priority to profit distribution in cash. The Company shall take various factors into account, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, to propose a differentiated policy for distributing cash dividend pursuant to the procedures stipulated in the Articles of Association. The proportion of cash dividend to profits of the year shall be determined in compliance with the laws, regulations, regulatory documents and rules of the stock exchange(s).

2. *The particulars of the Company's profit distribution policy are set out as follows:*

- (1) Forms of profit distribution: the Company may distribute its profit in the form of cash, shares or a combination of cash and shares. Subject to conditions, interim profit distribution may be made by the Company.
- (2) Specific conditions and ratios for distributing cash dividend by the Company:

Except under special circumstances, if the Company records profit and positive accumulated undistributed profit, the Company shall distribute dividend in cash, and the profit distributed in cash per annum shall not be less than 15% of the realized distributable profit of the Company for that year.

Special circumstances refer to any of the following:

- ① The net operating cash flow of the Company is negative for that year;
- ② Other circumstances where cash dividend in the sum of less than 15% of the realized distributable profit of the company is approved by the Shareholders in a General Meeting, including but not limited to no cash dividend distributed due to the needs of the Company for financing significant investments. The criterion for such significant investments is: total investment budget for the second half year exceeds 15% of the Company's net assets as stated in the consolidated financial statements.

- (3) Specific conditions for distributing dividends in shares by the Company:

Where the Company's business is in a sound condition, and the Board considers that the stock price of the Company does not reflect its Share capital and distributing dividend in shares will be in the interest of all shareholders of the Company as a whole, the Company may propose dividend distribution in shares, provided that the above conditions for cash dividend are fulfilled.

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3. Procedures for considering the dividend distribution plan of the Company:

- (1) The profit distribution plan of the Company shall be drawn up by the president's office before submitting to the Board and the Supervisory Committee of the Company for consideration. The Board shall thoroughly discuss the reasonableness of the profit distribution plan and form a special resolution before submitting to the General Meeting for consideration. Before the Shareholders General Meeting is convened to consider the detailed plan on distribution of cash dividend, the Company will communicate proactively with Shareholders, especially the minority Shareholders, through a variety of channels, to learn the opinions and aspirations of the minority Shareholders, and promptly reply the questions being concerned by the minority shareholders.
- (2) The Board shall carefully review and justify the timing for the distribution of cash dividends by the Company, the conditions and minimum proportion, conditions of adjustment and decisionmaking procedures and other matters. Independent Directors should express explicit opinions. Independent Directors may collect the views of minority Shareholders, propose the dividend distribution proposal and submit the proposal directly to the Board for its consideration. When the Board resolves to distribute cash dividend in the sum of less than 15% of the Company's realized distributable profit and makes a profit distribution plan in respect thereof to be proposed at general meeting for consideration, the Company shall make internet voting accessible to the Shareholders, subject to compliance with applicable laws and regulations.
- (3) Where the Company resolves not to distribute cash dividend under the aforesaid special circumstances, the Board shall explain the specific reasons for not distributing cash dividend, the exact purpose for the retained profit and the estimated investment return, submit such to the General Meeting for consideration after independent Directors express their opinions thereon, and disclose the same in the designated media of the Company.

4. The Company's 2024 Profit Distribution Proposal:

The net profit attributable to Shareholders of the Company in the audited consolidated statement of MCC in 2024 amounted to RMB6,745.95 million. Based on the total share capital of 20,723,619,170 shares, the Company proposed to distribute a cash dividend of RMB0.56 (tax inclusive) for every 10 shares and the total cash dividend is RMB1,160.52 million. The total cash dividend proposed by the plan accounts for 17.20% of the net profit attributable to Shareholders of the Company in the consolidated statement of MCC in 2024. This proposal is subject to the consideration and approval of the general meeting of shareholders for implementation.

(II) Special explanation of cash dividend distribution policy

- | | | |
|--|---|-----------------------------|
| Whether to comply with the provisions of the Articles of Association or the requirements of the resolutions of general meetings | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Whether the standard and proportion of dividends are explicit and clear | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Whether relevant decision-making procedures and mechanisms are adequate | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Whether the independent Directors have performed their duties and played their due roles | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Whether small and medium shareholders have the opportunity to fully express their opinions and appeals, and whether their legal rights and interests have been fully protected | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

(III) If no cash dividend distribution plans were proposed while the Company was profitable and there were profits of the parent company distributable to Shareholders during the Reporting Period, the Company shall disclose in detail the causes thereof as well as purpose and use plan of the undistributed profit

- ☐ Applicable ☒ Not applicable

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(IV) Plan for Profit Distribution and Transfer of Capital Reserve to Share Capital for the Reporting Period

Unit: RMB'000

Number of bonus shares to be distributed for every ten shares (<i>share</i>)	0
Amount to be distributed for every ten shares (<i>RMB</i>) (tax inclusive)	0.56
Number of shares to be converted into share capital for every ten shares (<i>share</i>)	0
Cash dividend amounts (tax inclusive)	1,160,523
Net profit attributable to the shareholders of the Company in consolidated statements	6,745,954
Percentage of cash dividend amounts to net profit attributable to the ordinary shareholders of the listed company in consolidated statements (%)	17.20
Cash offer to repurchase shares into cash dividends	0
Total amount of dividends (tax inclusive)	1,160,523
Percentage of total amount of dividends to net profit attributable to the ordinary shareholders of the listed company in consolidated statements (%)	17.20

(V) Cash Dividend for the Latest Three Accounting Years

Unit: RMB'000

Cumulative cash dividends for the latest three accounting years (tax inclusive) (1)	4,372,684
Cumulative amount repurchased and canceled for the latest three accounting years (2)	0
Cumulative amount of cash dividends and repurchases and cancellations for the latest three accounting years (3)=(1)+(2)	4,372,684
Average annual net profit attributable to ordinary shareholders of the listed company for the latest three accounting years (4)	8,564,182
Proportion of cash dividends for the latest three accounting years (%) (5)=(3)/(4)	51.06
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the latest accounting year	6,745,954
Undistributed profit at the end of the parent company's statement for the latest accounting year	6,140,098

XV. EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACT

(I) Relevant equity incentive events disclosed in interim announcements without further development or change in subsequent implementation

☐ Applicable ☒ Not applicable

(II) Incentive events not disclosed in interim announcements or with subsequent progress

Equity incentives

☐ Applicable ☒ Not applicable

Employee stock ownership plan

☐ Applicable ☒ Not applicable

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Other incentive measures

The Company encouraged its subsidiaries to take into account their own circumstances and launch medium- and long-term incentives for their scientific and technical backbones. During the Reporting Period, CISDI (Chongqing) Information Technology Co., Ltd. (a subsidiary of the Company) continued to promote employee shareholding-related work in accordance with laws and regulations; WSGRI (a subsidiary of the Company) promoted the development of bonus incentives for positions in science and technology enterprises.

(III) Equity incentives granted to Directors and Senior Management during the Reporting Period

☐ Applicable ☒ Not applicable

(IV) Appraisal Mechanism for Senior Management and Establishment and Implementation of Incentive Mechanism during the Reporting Period

The appraisal of senior management of the Company is mainly carried out by taking into account the Company's operating results, personal capabilities, work performance and service attitude. The Board completes the appraisal of operational performance of senior management combined with annual performance appraisal results for enterprises. Meanwhile, the remunerations of senior management are determined pursuant to the appraisal.

XVI. AUDITING INSTITUTION AND ITS REMUNERATION

The Company appoints Ernst & Young Hua Ming LLP (hereinafter referred to as ("EY Hua Ming")) as the annual auditor of the Company. In addition to the annual financial auditor, EY Hua Ming also provides internal control audit services related to financial reports and financial statutory audit services for some domestic subsidiaries.

For details of the remuneration of the independent auditor in 2024, please refer to "VI. Appointment and Dismissal of Accounting Firm" on page 130 of this report.

XVII. INFORMATION DISCLOSURE AND INVESTOR RELATIONS

During the Reporting Period, the Company attached great importance to information disclosure work, strictly adhered to the updated regulations and requirements of the listing rules of the place where its shares are listed, and conscientiously fulfills its information disclosure obligations. Meanwhile, the Company constantly innovated the content and form of disclosure, and streamlined and optimized the information disclosure process in an all-round way, and continued to improve the quality of its information disclosure. In 2024, the Company regulated and disclosed a total of 290 announcements in both English and Chinese, including 113 announcements on the SSE, 109 announcements in Chinese and 68 announcements in English on the Hong Kong Stock Exchange. The contents cover various aspects such as performance and operating data, business development, quality and efficiency enhancement plan, connected transactions, equity changes, external guarantees, dividend distribution, and so on, realizing the truthfulness, accuracy, completeness, timeliness and fairness regarding the disclosure of information. In 2024, the Company was rated Class A (the top class) Listed Company for SSE Information Disclosure for the eighth consecutive year.

The Company always closely follows its new strategic development, focus on the Goals for "one building, two most, five strong", and carries out investor relations work around the business system of "One Core, Two Main Bodies and Five Features", and adheres to the guidance of exploring the Company's highlights and investment value, and actively communicates with and connect to the capital market, thus to further develop a unique investor relations system, enhance the Company's influence in the capital market, and help the Company to achieve another transformation and upgrading in market value and enhance management.

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During the Reporting Period, the Company organized roadshows, participated in various brokerage strategy meetings, convened telephone communication meetings and received visiting institutional investors for a total of more than 70 times, and communicated directly with more than 300 institutional investors and more than 100 small and medium investors. On the basis of regular performance announcement and daily communication, the Company held periodic results presentations and performance roadshows for annual, interim and third quarterly reports, which were conducted through multi-media platforms such as video, telephone and the SSE Roadshow Center, covering both online and offline. The Company had extensive and in-depth communication with investors, analysts and financial media. In addition, the Company attended the “Collective Results Briefings of Listed Companies of Minmetals (五礦控股上市公司集體業績說明會)” organised by its controlling shareholder, China Minmetals, at the end of September on the SSE, which enhanced the Company’s branding power in the capital market. In addition, in order to demonstrate to the capital market the development achievements of the Company in the business field of “Five Features”, the Company organised certain brokerage analysts and some investors to hold a reverse roadshow on the theme of “new energy and new materials” in Beijing and Luoyang in July, which demonstrated the R&D capability and market influence of the Company in the field of mining and metallurgy and enhanced investors’ understanding of the Company’s strategic layout of emerging industries and the innovative development of new productive forces. During the Reporting Period, the Company won the 15th “Tianma Award for Investor Relations of Listed Companies in China”, “New Fortune” Best Hong Kong Stock IR Award and other industry awards for investor relations.

XVIII. RIGHTS OF SHAREHOLDERS

To safeguard the statutory rights of Shareholders, Article 66 of the Articles of Association of the Company prescribes that the Shareholders holding more than 10% of the Company’s Shares either independently or collectively may request an extraordinary general meeting in writing. Article 76 of the Articles of Association of the Company prescribes that, when a general meeting is convened, the shareholders holding more than 3% of the Company’s shares, either independently or collectively, are entitled to table a proposal to the Company in writing, and the Company shall include in the agenda those matters which are within the scope of duties of the general meeting. Shareholders holding more than 3% of the Company’s shares, either independently or collectively, may submit a temporary proposal to the convener in writing 10 days prior to the convening of the general meeting. The Company set an exclusive session for communication with Shareholders at general meeting, during which Shareholders can raise their concerns and suggestions. Shareholders can also lodge their enquiries and suggestions through three methods: investor relations hotline (+86-010-5986-8666), by investor relations fax (+86-010-5986-8999) or investor relations email (ir@mccchina.com).

The Board of the Company provides guidance on the investor relations management, continuously communicates with shareholders and investment institutions and regularly checks the effectiveness of investor relations. The Company carries out investor relations management through multiple platforms and channels, and communicates with investors through various means, such as the channels including the Company’s official website, new media platforms, telephone, fax and e-mail, the third-party network infrastructure platforms including www.investor.org.cn, and the Stock Exchange Roadshow Center, special investor events including general meetings, investor presentations, roadshows, reverse roadshows, analyst presentations, reception and research activities, and attending strategy meetings and forums organized by brokerages, investment institutions, financial media and other social organizations.

In compliance with the information disclosure rules, the Company makes sufficient communication and consultation with investors through various means when formulating major proposals involving Shareholders’ rights and interests. The time, place and manner of the general meeting of the Company facilitate the participation of Shareholders, especially the small and medium-sized Shareholders, and provide the necessary time for investors to speak, raise questions and communicate with the Directors, Supervisors and senior management of the Company. The Company consults widely before the general meeting and collects hot issues of high concern to investors in advance, and provides the means of online voting for the general meetings. The Company adjusts and reviews the rules and procedures of the general meeting regularly in accordance with the regulatory rules to ensure that they meet the needs of Shareholders.

The Board has reviewed the implementation and effectiveness of the Shareholder Communication Policy during the Reporting Period and has considered it to be effective.

XIX. COMPANY SECRETARIES

Mr. Wang Zhen is the current secretary to the Board of the Company. Mr. Wang Zhen and Ms. Ng Sau Mei are the current joint company secretaries of the Company, and Mr. Wang Zhen is also the main internal contact person of the Company.

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For details of profile of Mr. Wang Zhen, please refer to page 84 of this report.

The profile of Ms. Ng Sau Mei is set as below: Ms. Ng Sau Mei is a director and head of the listing services department of TMF Hong Kong Limited, with over 20 years of professional and in-house working experience in the company secretarial field. Ms. Ng Sau Mei is a fellow member of The Hong Kong Chartered Governance Institute (formerly known as “The Hong Kong Institute of Chartered Secretaries”) and The Chartered Governance Institute (formerly known as “The Institute of Chartered Secretaries and Administrators”) in United Kingdom.

For the purpose of complying with Rule 3.29 of the Hong Kong Listing Rules, the company secretaries attended relevant professional training for not less than 15 hours for the year ended 31 December 2024.

XX. THE ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

1. Construction and implementation of internal control system during the Reporting Period

During the Reporting Period, the Company carried out in-depth study of the important exposition made by General Secretary Jinping on the reform and development of state-owned enterprises and Party building, and endeavoured to build a four-simple enterprise with “simple system, simple process, simple relationship, and simple style”. With the objective of “system construction should be based on good authorisation and decentralisation, and efforts should be made to strengthen the streamlining of systems and processes”, the Company systematically launched the work of system streamlining. Firstly, the number of systems has been reduced, and repeal and merger work has been carried out to prevent the systems from becoming “idle”. Secondly, the content of the system has been streamlined, requiring the system to be designed for effective control, simple operation, efficient implementation and convenient supervision. Thirdly, the system has been improved to fill in the gaps in the system, improve the accountability mechanism, and strengthen the rigid constraints on its implementation. The number of the Company’s systems was reduced to 338 after streamlining, with a reduction ratio of 21.4%.

With regard to system construction in key areas, the first is to strengthen the organic unification of Party leadership and corporate governance. Through an in-depth and comprehensive revision and improvement of the “three lists and one process”, the powers and responsibilities of the Party Committee and its ways of working in all aspects of corporate governance have been clearly defined to ensure that the Party Committee can closely interface with other aspects of corporate governance in the process of “setting the right direction, keeping in mind the big picture and promoting implementation”. The second is to deepen the reform and improvement of state-owned enterprises by formulating the “Work Plan of the Committee of the China Metallurgical Group Corporation and the Committee of Metallurgical Corporation of China Ltd.* on the Implementation of the ‘Several Provisions of the Political Bureau of the CPC Central Committee Concerning the Enhancement and Safeguarding of Centralised Leadership of the Party Central Committee’ 《中共中央國冶金科工集團有限公司委員會暨中國冶金科工股份有限公司委員會關於貫徹落實〈中共中央政治局關於加強和維護黨中央集中統一領導的若干規定〉的工作方案》” to comprehensively implement the “two consistent implementation principles”, and at the same time, the “Measures for the Implementation of the “First Issue” System for Party Committee Meetings 《黨委會議「第一議題」制度實施辦法》” and the “Administrative Measures for the Implementation of the Important Instructions and Criticisms of General Secretary Xi Jinping (貫徹落實習近平總書記重要指示批示工作管理辦法)” were published to further improve the “first issue” system for the Party organisations of enterprises at all levels to learn and implement the spirit of the important instructions of General Secretary Xi Jinping. The third is to accelerate the construction of a world-class enterprise, promote the standardisation of business management practices through the publication of “Business Management System” and “Administrative Measures for the Preliminary Settlement of Engineering Projects 《工程項目預結算管理辦法》”, formulate and publish the “Implementation Rules for the Incentive Guarantee of the National Key Laboratories 《全國重點實驗室激勵保障實施細則》” to comprehensively strengthen the support for the national key laboratories, as well as the “Work Guidelines (for Trial) of MCC on the Implementation of the “Five Linkages” for Marketing 《中國中冶關於推進落實市場行銷「五個聯動」的工作指引(試行)》” to fully bring into play the resource endowment of the Company’s entire industrial chain, and promote the re-transformation and upgrading of the enterprise. The fourth is to strengthen and improve the internal control system. Through the revision and publication of the “Basic System of Internal Control” and the “Comprehensive Risk Management System” to realise the control objectives of “strengthening internal control, preventing risks and promoting compliance”, reinforce accountability and strengthen the rigid constraints on the implementation of the system. The fifth is to strengthen inspection and audit work. By revising and publishing a series of inspection and audit-related systems, MCC and its subsidiaries will continue to enhance the standardisation of inspection work, further standardise the audit and rectification work, improve the rectification and closed-loop mechanism, and practically transform the audit results into management results.

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2. Procedures used to identify, assess and manage significant risks

The Company regularly conducts identification, evaluation and corresponding actions for risks. The Company seriously analyzes its situation within the industry on the basis of the study and judgement of the general domestic and international macro-economic situation annually and conducts relevant risk management actions by phases according to the strategic objectives and control requirements. Risk identification stage: pursuant to the requirements of the Guideline on Comprehensive Risk Management for State Enterprises (《中央企業全面風險管理指引》), the Company organized all departments and subsidiaries to collect relevant information on risks systematically on an on-going basis. In accordance with the risk categorization framework of the SASAC and the normative requirements of internal guidance on risk management, the Company conducted risk identification and reorganization procedures to identify internal and external risks affecting operating targets, analyzed the cause of risks and possible impacts case by case, and specified the departments-in-charge. Risk evaluation stage: pursuant to the actual situation of risk management, quantitative assessments and qualitative assessments, the Company classified risks into three levels based on the “importance and urgency of risk management”, namely highly important (red), close attention (yellow) and controllable risks (green). The Company organized each of the department-in-charge to evaluate the impact of different types of risks on the realization of the overall objectives of the Company and preliminarily determined the classification of risk management, with extra attention paid to material risks. Risk responding stage: the Company duly formulated risks responding measures in response to routine risks, which specifically include: risk prevention, risk confrontation, risk mitigation and risk transformation. In terms of material risks, by preparing control measures to material risks, the Company had assigned respective departments-in-charge; effective and practicable risk management and control measures have been duly formulated upon thorough analysis on the source, cause, possible impact and corresponding strategies of material risks. Material risks tracking stage: by regularly carrying out the follow-up work of material risk changes and the implementation of response plan, the Company paid timely attention to the implementation and practicability of the solutions to material risks or contingency plans on crisis management, allocated resources accordingly, specified work procedures, assigned persons-in-charge and set deadline, so as to ensure the effective implementation of such solutions or plans.

3. The main features of the risk management and internal control system

The Company implements a hierarchical classification of risks, standardizes the establishment of a risk management and internal control organization system. Based on the Guideline on Comprehensive Risk Management for State Enterprises (《中央企業全面風險管理指引》) published by the SASAC, the Company starts from the top-level design, follows the principle of “hierarchy and classification”, clarifies the boundaries of risk management responsibilities at each level, strengthens the main responsibilities of risk management, promotes internal control work, and unites the evaluation and supervision forces to form a risk management system that is “horizontal to the edge and vertical to the end”. The Company focuses on strengthening the top-level design of risk management, enhances the monitoring of major risks and special risks, and formulates annual guidance on comprehensive risk and internal control management at the beginning of the year to clarify annual work objectives, refine work requirements and implementation paths. Based on the business characteristics of the main business segment, the Company monitors the disposal progress of various special risks on a monthly basis, tracks the annual changes in major risks and the implementation of countermeasures on a quarterly basis, and evaluates the overall risks of the Company in combination with the control of major risks of its subsidiaries, and forms corresponding risk management reports to ensure that the risks are identifiable, controllable and tolerable. The Company strengthens the dynamic assessment of risks and carries out dynamic and special risk assessment in a timely manner according to the changes in the internal and external environment, and identifies and evaluates the impact of changes in the internal and external environment on the achievement of the Company’s business objectives in a timely manner and formulates targeted countermeasures. In order to effectively cope with the impact of the external environment, the Company promptly arranges relevant departments to carry out a dynamic assessment of special risks with comprehensive analysis, rapid evaluation, detailed measures, and clarification of responsibilities, and studies and formulates risk prevention and control plans and relevant risk contingency plans in advance. Meanwhile, the Company strengthens risk process monitoring, pays close attention to abnormal risk signs related to its business, and activates emergency procedures promptly for unexpected risk signs or risk events to ensure that risks are under control.

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4. Procedures for reviewing the efficiency of risk management and internal control systems and for addressing material internal control deficiencies

The Board assesses the effectiveness of the risk management and internal monitoring and control systems of the Company at least once a year, and comes to a complete inspection conclusion during the year. The procedures of reviewing the effectiveness of risk management and internal control systems includes: formulating the plan for evaluation of work, forming evaluation team, implementing on-site testing, identifying control defects, aggregating evaluation results and compiling evaluation reports, etc. The Company authorizes the audit department to be responsible for specific implementation of the evaluation of internal control. After a comprehensive analysis of internal control defects, the Company gives opinions, and makes a final confirmation in accordance with the scope of authority and procedures after review, and classifies the defects as significant defects, important defects and general defects based on the level of impact. The confirmation proposed will be presented to the Board and operation meeting in the form of written report, and the significant defects will be finally confirmed by the Board.

Procedures for addressing material internal control deficiencies: MCC will adopt timely countermeasure strategies for identified material deficiencies and will endeavour to keep the risks within tolerable limits. In the event that significant asset losses or other serious adverse consequences are caused, the relevant personnel will be held accountable in accordance with the Company's management system of accountability for non-compliance of operation and investment.

5. Procedures and internal control measures for managing and releasing insider information

The Company strictly performs information gathering, studying, preparation of announcements and disclosure approval procedures to ensure the compliance of information disclosure based on laws in accordance with the regulatory requirements and corporate system such as the Management System of Information Disclosure of MCC (《中國中冶信息披露管理制度》) and Measures for the Administration of Information Disclosure of MCC in the Stock Market (《中國中冶股票市場信息披露管理辦法》). Meanwhile, the Company also formulated Measures for Managing Insider Information of MCC (《中國中冶內幕信息管理辦法》), and established the inside information insider registration, filling and reporting system, requiring the inside information insider to truthfully and completely record the inside information at the stage of deliberation planning, demonstration consultation, contract conclusion, reporting, transmission, preparation, review, resolution, disclosure for prompt registration, filling and reporting, and supervise the confidentiality obligation to be strictly fulfilled by the insiders.

6. Establishment of internal review function

The Company has established an internal audit function which analyzes and independently evaluates the adequacy and effectiveness of the risk management and internal monitoring and control systems of the Company and reports to the Board the results at least once a year. MCC has, in practice, started the supervision and evaluation as well as defect rectification inspection of internal control and risk management pursuant to the plan on evaluation of work and standard of evaluation in order to ensure the defects are rectified properly. Meanwhile, the subsidiaries are required to conduct annual self-evaluation and special evaluation work in order to provide the base for the issue of internal control evaluation report. The review period of risk management and internal control system covered is from 1 January 2024 to 31 December 2024.

The Board considers that the current risk management and internal monitoring and control systems are adequate and effective, in particular, with respect of financial reporting and compliance with the Listing Rules.

Explanation on material defects in internal control during the Reporting Period

☐ Applicable ☒ Not applicable

No material defect has been discovered in the internal control of the Company during the Reporting Period.

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XXI. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

MCC has continued to improve its corporate governance system and internal control system, and launched scientific and systematic control over its subsidiaries. In terms of the corporate governance system, the Company strictly complied with relevant national laws and regulations, and formulated the “three lists and one process” in conjunction with the strategic planning and operational reality of the enterprise, clearly defining the core control matters of its subsidiaries, and clarifying the management boundaries and responsibilities. In terms of the internal control system, the Company has continued to strengthen the construction of the system and established an internal control system covering various key areas such as finance, investment, manpower, safety and project management, and has strictly implemented and enforced the system to realise effective control over its subsidiaries.

XXII. RELEVANT EXPLANATIONS ON THE AUDIT REPORT OF INTERNAL CONTROL

The type of the internal control audit report disclosed is standard unqualified opinion. Ernst & Young Hua Ming LLP has issued the internal control audit report for the Company and is of the opinion that as at 31 December 2024, the Company maintained an effective internal control over its financial report in all material aspects pursuant to the Basic Standards for Enterprise Internal Control (《企業內部控制基本規範》) and relevant requirements. The full text of the “Internal Control Evaluation Report” is published on the websites of the SSE (<http://www.sse.com.cn>), the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.mccchina.com>).

According to the audit report of internal control issued by Ernst & Young Hua Ming LLP, the Board has inspected the risk management and internal monitoring and control systems of the Company and its subsidiaries, and is of the view that they are still effective.

The internal control audit report issued by the accounting firm is consistent with the internal control evaluation report of the Company.

Whether the Company had disclosed its internal control audit report: Yes

Type of opinion of the audit report of internal control: Standard unqualified opinion

XXIII. RECTIFICATION OF SELF-INSPECTION PROBLEMS IN THE SPECIAL ACTION ON GOVERNANCE OF LISTED COMPANIES

As at the end of the Reporting Period, the Company had completed the rectification of all the self-inspection problems in the “Special Action on Governance of Listed Companies” in April 2021.

XXIV. CHANGES IN ARTICLES OF ASSOCIATION

The 2023 Annual General Meeting of MCC held on 25 June 2024 considered and approved the resolution regarding the Articles of Association of Metallurgical Corporation of China Ltd. The Company made amendments to certain content of the Articles of Association of Metallurgical Corporation of China Ltd. pursuant to the actual operational and management needs (Please refer to the relevant announcement disclosed by the Company on 26 June 2024).

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. INFORMATION ON ENVIRONMENTAL PROTECTION OF THE COMPANY

Whether an environmental protection related mechanism is established	Yes
Funds invested in environmental protection during the Reporting Period (Unit: RMB100 million)	13.19

a) Environmental protection of the Company and its principal subsidiaries categorised as major sewage discharge enterprises as published by the environmental protection department

In accordance with the List of Enterprises under Special Supervision and Enterprises with Significant Waste Disposal in 2024 published by the state, provincial and municipal environmental protection departments, among all subsidiaries of the Company, 7 enterprises were included in the list of enterprises under special supervision of exhaust gas; 2 enterprises were included in the list of enterprises under special supervision of wastewater treatment plants; and 36 sewage treatment plants were included in the list of enterprises under special supervision of sewage treatment. During the Reporting Period, each environmental protection facility of all units under the List of Enterprises with Significant Waste Disposal operated normally, and the emission of key pollutants reached the emission standard without excessive emission, achieving the objective of total emission reduction. In 2024, MCC Ecological Environmental Protection, a subsidiary of the Company, has processed 646 million tons of sewage, achieving 144,800 tons of COD reduction and 16,600 tons of ammonia nitrogen reduction.

i. Information about pollution discharge

(1) Enterprises under special supervision of sewage treatment

No.	Company name	Discharging vent	Major pollutants and characteristic pollutants	Executive standard	Emission standard ^(Note 1) (mg/L)	Actual emission (mg/L)	Total emission rate (10,000t/day)	Discharge flow
1	Chuzhou Water Corporation MCC (滁州市中冶水务有限公司)	Main vent from Qingliu Sewage Treatment Plant WS-01904 (清流污水处理廠總排口WS-01904)	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	13.50 0.37	14.90	Qingliu River (清流河)
2	Lai'an Water Corporation MCC (Lai'an Wastewater Treatment Plant) (來安縣中冶水务有限公司(來安污水處理廠))	Vent from Lai'an Water Corporation MCC Wastewater WS-06998 (來安縣中冶水务有限公司污水排出口WS-06998)	COD Ammoniacal nitrogen	Implementing the Level IV water standards of Environmental Quality Standard for Surface Water (GB3838-2002) for COD, ammonia nitrogen, and the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A for the rest of the water indicators	30 1.5	20.41 0.45	8.08	Lai River (來河)
3	MCC Qinhuangdao Water Co., Ltd. (中冶秦皇島水务有限公司)	Vent from Shanhaiguan Water Treatment Plant (山海關污水處理廠出水口)	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	16.42 0.10	3.71	Chao River (潮河)
4	Shouguang North Water Corporation MCC (壽光市城北中冶水务有限公司)	Vent outside Shouguang North Water Corporation MCC WS-37078304 (壽光市城北中冶水务有限公司外排口WS-37078304)	COD Ammoniacal nitrogen	The main indicators of effluent (CODCr and ammoniacal nitrogen) were raised to the class IV standard of surface water. Other indicators were in accordance with the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A ^{Note 2}	30 1.5	17.75 0.36	8.24	Zhangseng River (張僧河)

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

No.	Company name	Discharging vent	Major pollutants and characteristic pollutants	Executive standard	Emission standard ^(Note 1) (mg/L)	Actual emission (mg/L)	Total emission rate (10,000t/day)	Discharge flow
5	Tianchang Water Corporation MCC (Tianchang Wastewater Treatment Plant) (天長市中冶水務有限公司(天長市污水處理廠))	Vent No. WS-009	COD Ammoniacal nitrogen	The main indicators of effluent (CODCr and ammoniacal nitrogen) were raised to the class IV standard of surface water. Other indicators were in accordance with the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	40 2(3)	14.00 0.22	6.07	Chuanqiao River (川橋河)
6	Qinlan Wastewater Treatment Plant of Tianchang Water Corporation MCC (天長市中冶水務有限公司(秦欄鎮污水處理廠))	Mixed inflow of sewage emission in Qinlan Town and Jiangwei County of Tianchang City (天長市秦欄鎮蔣圩混合入河排污口)	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	14.34 0.23	0.60	Qinlan River (秦欄河)
7	Yangcun Water Treatment Plant of Tianchang Water Corporation MCC (天長市中冶水務有限公司(楊村鎮污水處理廠))	Mixed inflow of sewage emission in Yangcun Wastewater Treatment Plant of Tianchang City (天長市楊村鎮污水處理廠混合入河排污口)	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	30.00 0.74	0.79	Yangcun River (楊村河)
8	Chuzhou High-tech Zone Wastewater Treatment Plant of Tianchang Water Corporation MCC (天長市中冶水務有限公司(滁州高新區污水處理廠))	Vent No. WS-04303	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 2(3)	14.30 0.15	3.38	Chuanqiao River (川橋河)
9	Tongcheng Water Treatment Plant of Tianchang Water Corporation MCC (天長市中冶水務有限公司(銅城鎮污水處理廠))	Vent No. WS-04305	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	15.68 0.16	0.64	Tonglong River (銅龍河)
10	MCC Xinglong Water Co., Ltd. (興隆縣中冶水務有限公司)	Vent of disinfecting tank WS-001	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	19.49 0.45	2.12	Liu River (柳河)
11	MCC Dingyuan Water Co., Ltd. (定遠縣中冶水務有限公司)	Wastewater discharge vent WS-50004	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	16.20 0.42	5.43	Maqiao River (馬橋河)
12	Lai'an Water Corporation MCC (Cha He Water Treatment Plant) (來安縣中冶水務有限公司(汭河污水處理廠))	Vent from Cha He Water Treatment Plant (汭河污水處理廠污水排放口) WS-06902	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	19.24 0.33	1.93	Chu River (滁河)
13	Ma'anshan Water Corporation MCC (馬鞍山市中冶水務有限公司)	Ma'anshan Water Corporation MCC (馬鞍山市中冶華天水務有限公司) WS-090801	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	13.49 0.27	2.41	Xiangcheng River (襄城河)
14	Huangshi Water Corporation MCC (黃石市中冶水務有限公司)	Vent from Huangshi Water Corporation MCC (黃石市中冶水務有限公司) DW001	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	10.71 0.89	3.76	Chi-hu Lake (磁湖)

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

No.	Company name	Discharging vent	Major pollutants and characteristic pollutants	Executive standard	Emission standard ^{Note 1)} (mg/L)	Actual emission (mg/L)	Total emission rate (10,000t/day)	Discharge flow
15	Shouguang MCC Water Co., Ltd. (壽光市中冶水務有限公司)	Vent from Shouguang MCC Water Co., Ltd. WS37078309	COD Ammoniacal nitrogen	The main indicators of effluent (CODCr and ammoniacal nitrogen) were raised to the class IV standard of surface water. Other indicators were in accordance with the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A ^{Note 2}	30 1.5	25.16 0.39	11.35	Xiaoqing River (小清河)
16	Qinhuangdao Funing District MCC Water Co., Ltd. Wastewater (秦皇島市撫寧區中冶水務有限公司)	Vent from Qinhuangdao Funing District MCC Water Co., Ltd. Wastewater (秦皇島市撫寧區中冶水務有限公司) No.: DW001	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	24.53 0.14	5.81	Discharged into artificial river
17	Fuzhou MCC Changle District Water Co., Ltd. (福州市長樂區中冶水務有限公司)	Vent from Fuzhou MCC Changle District Water Co., Ltd. (福州市長樂區中冶水務有限公司) WS26616	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	21.40 0.16	5.05	Min River (閩江)
18	MCC Xuancheng Water Co., Ltd. (宣城市中冶水務有限公司)	Mixed inflow of sewage emission in Xuancheng Shuangqiao Sewage Treatment Plant No.: 341802022	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	21.97 0.17	1.31	Shuiyang River (水陽江)
19	Beijing Zhongshe Water Treatment Co., Ltd. (北京中設水處理有限公司)	Main vent (Phase I)	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (Level I Standard A of current wastewater plant) DB11/890-2012	20 1.0(1.5)	15.00 0.21	6.65	Ciwei River (刺渭河)
		Main vent (Phase II)	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (Level I Standard A of current wastewater plant) DB11/890-2012	20 1.0(1.5)	13.00 0.23	4.20	
20	Lanzhou Zhongtuo Water Corporation (蘭州中投水務有限公司)	Main vent	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard B	32 3.1(4.1)	16.03 0.55	23.83	Yellow River (黃河)
21	Xiaogan Zhongshe Water Co., Ltd. (孝感中設水務有限公司)	Main vent	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	15.92 1.04	13.09	Gunzi River (滾子河)
22	Wenxian Zhongtuo Water Co., Ltd. (No. 1 Plant) (溫縣中投水務有限公司(第一污水廠))	Main vent of the First Wastewater Treatment Plant	COD Ammoniacal nitrogen	Discharge Standards for Water Pollutants for Yellow River Basin in Henan Province (Level I Standard) DB41/2087-2021	40 3(5)	11.94 0.26	3.47	Laomang River (老蟒河)
23	Wenxian Zhongtuo Water Co., Ltd. (No. 2 Wastewater Treatment Plant) (溫縣中投水務有限公司(第二污水廠))	Main vent of the Second Wastewater Treatment Plant	COD Ammoniacal nitrogen	Discharge Standards for Water Pollutants for Yellow River Basin in Henan Province (Level I Standard) DB41/2087-2021	40 3(5)	20.24 0.54	2.73	Xinmang River (新蟒河)
24	Changzhou Enfi Water Co., Ltd. (常州恩菲水務有限公司)	Main vent	COD Ammoniacal nitrogen	Discharge Standard of Main Water Pollutants for Municipal Wastewater Treatment Plant & Key Industries of Taihu (DB32/1072-2018)	60 5	41.74 0.45	2.33	Cailing Port (採菱港)

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

No.	Company name	Discharging vent	Major pollutants and characteristic pollutants	Executive standard	Emission standard ^(Note 1) (mg/L)	Actual emission (mg/L)	Total emission rate (10,000t/day)	Discharge flow
25	Wuzhi County Zhongshe Water Co., Ltd. (武陟縣中設水務有限公司)	Main vent	COD Ammoniacal nitrogen	Discharge Standards for Water Pollutants for Yellow River Basin in Henan Province DB41/2087-2021 (Level II Standard)	50 5(8)	40.27 0.65	1.54	Lao River in District 2 and 4 (二四區潞河)
26	Pingyuan Zhongshe Water Co., Ltd. (平原中設水務有限公司)	Main vent	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	38.30 0.30	3.83	Ma Hong Trunk Sewers (馬洪幹渠)
27	Zhuozhou Zhongshe Water Treatment Co., Ltd. (涿州中設水處理有限公司)	Main vent	COD Ammoniacal nitrogen	Water Pollution Discharge Standard of Daqing River Basin (DB13/275/2018)	30 1.5(2.5)	13.16 0.06	25.04	North Juma River South Branch (北拒馬河南支)
28	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (Western Plant) (涿州中設環保有限公司(西廠))	Main vent of the West Plant	COD Ammoniacal nitrogen	Water Pollution Discharge Standard of Daqing River Basin (DB13/275/2018)	30 1.5(2.5)	9.41 0.02	79.12	North Juma River (北拒馬河)
29	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (Eastern Plant) (涿州中設環保有限公司(東廠))	Main vent of the East Plant	COD Ammoniacal nitrogen	Water Pollution Discharge Standard of Daqing River Basin (DB13/275/2018)	30 1.5(2.5)	10.66 0.06	108.17	North Drainage Channel into Baigou River (北排幹渠道入白溝河)
30	Zhongshe Environmental Protection Co., Ltd. (Development Zone Plant) (涿州中設環保有限公司(開發區廠))	Main vent of the Development Zone Plant	COD Ammoniacal nitrogen	Water Pollution Discharge Standard of Daqing River Basin (DB13/275/2018)	30 1.5(2.5)	11.69 0.05	53.87	North Drainage Channel into Baigou River (北排幹渠道入白溝河)
31	MCC Water (Wuhan) Co., Ltd. (Bao Xie Plant) (中冶水務(武漢)有限公司(豹澥廠))	Vent from Baoxie Wastewater Treatment Plant (豹澥污水處理廠廢水排放口)	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	10.42 0.04	7.18	Yangtze River (長江)
32	MCC Water (Wuhan) Co., Ltd. (Zuoling Plant) (中冶水務(武漢)有限公司(左嶺廠))	Main vent of Zuoling Wastewater Treatment Plant (左嶺污水處理廠廢水總排口)	COD Ammoniacal nitrogen		50 5(8)	10.11 0.45	10.11	
33	MCC Water (Zhuxi) Co., Ltd. (Zhuxi Dongcheng District Wastewater Treatment Plant) (竹溪縣東城新區污水處理廠排放口)	Vent from Zhuxi Dongcheng District Wastewater Treatment Plant (竹溪縣東城新區污水處理廠排放口)	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	12.60 0.11	0.68	Zhuxi River (竹溪河)

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

No.	Company name	Discharging vent	Major pollutants and characteristic pollutants	Executive standard	Emission standard ^(Note 1) (mg/L)	Actual emission (mg/L)	Total emission rate (10,000t/day)	Discharge flow
34	MCC Water (Macheng) Co., Ltd. (中治水務(麻城)有限公司)	Vent from Macheng Wastewater Treatment Plant (麻城污水處理廠廢水排放口)	COD Ammoniacal nitrogen	Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) Level I Standard A	50 5(8)	12.44 0.50	1.29	Jushui River (舉水河)
35	Lai'an MCC Huatian Water Environment Investment Co., Ltd. (Second Wastewater Treatment Plant) (來安縣中治華天環境投資有限公司(第二污水處理廠))	Main vent of wastewater DW001 (廢水總排口DW001)	COD Ammoniacal nitrogen	Level II of Integrated Wastewater Discharge Standards (《污水綜合排放標準》) (GB8978-1996) Level II of Integrated Wastewater Discharge Standards (《污水綜合排放標準》) (GB8978-1996)	120 25	71.6 1.45	1.37	Lai'an County Wastewater Treatment Plant (來安縣污水處理廠)
36	Lai'an MCC Huatian Water Environment Investment Co., Ltd. (Chemical Park Wastewater Treatment Plant) (來安縣中治華天環境投資有限公司(化工園區污水處理廠))	Main vent of wastewater DW001 (廢水總排口DW001)	COD Ammoniacal nitrogen	Level II of Integrated Wastewater Discharge Standards (《污水綜合排放標準》) (GB8978-1996) Level II of Integrated Wastewater Discharge Standards (《污水綜合排放標準》) (GB8978-1996)	120 25	49.09 0.2	0.15	Lai'an County Wastewater Treatment Plant (來安縣污水處理廠)

Note 1: The values outside the brackets of the standard GB18918-2002 represent control objectives when water temperature is higher than 12 degrees Celsius. The values inside the brackets of the standard GB18918-2002 are control objectives where water temperature is equal to or below 12 degrees Celsius.

Note 2: Pursuant to the Notice on Improving the Effluent Quality of Urban Wastewater Treatment Plants (Wei Guan Wei Ban Fa [2019] No. 3) (《關於做好城市污水處理廠出水水質提升工作的通知》(滄管委辦發〔2019〕3號)), the official document issued by Weifang City Commission of Urban Management, the required water output indicators of COD and ammoniacal nitrogen for Shouguang North Water Corporation MCC and Shouguang MCC Water Co., Ltd. were 30mg/L and 1.5mg/L, respectively.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

(2) Enterprises under special supervision of exhaust gas

No.	Company name	Discharge vent	Name of main pollutant and characteristic pollutant standard	Executive	Emission standard	Actual emission	Total emission rate (kg/h)	Discharge flow
1	Xiangyang Enfi Environmental Protection Energy Co., Ltd. (襄陽恩菲環保能源有限公司)	Xiangyang Enfi Municipal Solid Waste Incineration Power Plant (sewage vent)	COD	Integrated wastewater discharge standard (GB8978-1996) Level III Emission limit	500mg/L	46.00	0.63	Yujiahu Wastewater Treatment Plant (余家湖污水處理廠)
			PH	Integrated wastewater discharge standard (GB8978-1996) Level III Emission limit	6~9	7.02	/	
		Exhaust vent #1 from Xiangyang Enfi Waste Incineration Power Plant	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	27.10	1.32	Atmosphere
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	173.69	10.12	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	2.47	0.06	
		Exhaust vent #2 from Xiangyang Enfi Waste Incineration Power Plant	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	23.40	1.25	
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	167.52	9.29	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	1.7	0.09	
		Exhaust vent #3 from Xiangyang Enfi Waste Incineration Power Plant	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	21.73	1.3	
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	180.87	10.90	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	1.11	0.07	
		Exhaust vent #4 from Xiangyang Enfi Waste Incineration Power Plant	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	23.52	1.70	
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	161.63	12.12	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	1.39	0.10	

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

No.	Company name	Discharge vent	Name of main pollutant and characteristic pollutant standard	Executive	Emission standard	Actual emission	Total emission rate (kg/h)	Discharge flow
2	Ganzhou Enfi Environmental Protection Energy Co., Ltd. (赣州恩菲环保能源有限公司)	Exhaust vent #1 from Ganzhou Enfi Waste Incineration Power Plant	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	33.82	2.27	Atmosphere
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	232.09	15.88	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	10.26	0.71	
		Exhaust vent #2 from Ganzhou Enfi Waste Incineration Power Plant	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	39.26	2.91	
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	220.72	15.95	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	6.28	0.48	
		Exhaust vent #3 from Ganzhou Enfi Waste Incineration Power Plant	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	26.62	2.26	
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	211.06	17.42	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	7.45	0.63	
3	Gu'an Enfi Environmental Protection Energy Co., Ltd. (固安恩菲环保能源有限公司)	Exhaust vent #1 from Gu'an Enfi Waste Incineration Power Plant	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	43.42	4.17	Atmosphere
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	56.26	6.04	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	4.95	0.18	
		Exhaust vent #2 from Gu'an Enfi Waste Incineration Power Plant	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	40.47	3.71	
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	54.42	5.10	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	2.82	0.16	
4	Enfi Urban Solid Waste (Xiaogan) Co., Ltd. (恩菲城市固废(孝感)有限公司)	Exhaust vent of Xiaogan Enfi	SO ₂	Standard for pollution control on the hazardous waste incineration (GB18484-2020)	100mg/Nm ³	9.49	0.13	Atmosphere
			NO _x	Standard for pollution control on the hazardous waste incineration (GB18484-2020)	300mg/Nm ³	53.83	0.73	
			Smoke and dust	Standard for pollution control on the hazardous waste incineration (GB18484-2020)	30mg/Nm ³	9.05	0.12	

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

No.	Company name	Discharge vent	Name of main pollutant and characteristic pollutant standard	Executive	Emission standard	Actual emission	Total emission rate (kg/h)	Discharge flow
5	Ganzhou Nankang Enfi Environmental Protection Energy Co., Ltd. (贛州南康區恩菲環保能源有限公司)	1# exhaust vent of incinerator	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	58.80	6.22	Atmosphere
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	207.26	21.28	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	2.12	0.22	
		2# exhaust vent of incinerator	SO ₂	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	100mg/Nm ³	59.06	6.50	
			NO _x	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	300mg/Nm ³	207.81	23.21	
			Smoke and dust	Standard for pollution control on the municipal solid waste incineration (GB18485-2014)	30mg/Nm ³	1.21	0.15	
6	MCC-SFRE Heavy Industry Equipment Co., Ltd. (中冶陝西重工設備有限公司)	1# exhaust pipe of heating furnace in forging workshop of new plant	Particulate matter	Discharge Standard of Pollutants for Foundry Industry GB39726-2020	30mg/m ³	<1.0	<0.28	Atmosphere
			SO ₂		100mg/m ³	<3.0	<0.85	
			NO _x		300mg/m ³	16.00	4.5	
		2# exhaust pipe of heating furnace in forging workshop of new plant	Particulate matter	Discharge Standard of Pollutants for Foundry Industry GB39726-2020	30mg/m ³	1.20	0.15	
			SO ₂		100mg/m ³	30.00	3.9	
			NO _x		300mg/m ³	265.00	34	
		2# exhaust pipe of heating furnace in forging workshop of old plant	Particulate matter	Discharge Standard of Pollutants for Foundry Industry GB39726-2020	30mg/m ³	<1.0	<0.013	
			SO ₂		100mg/m ³	<3	<0.040	
			NO _x		300mg/m ³	68.00	0.91	
		4# exhaust pipe of heating furnace in forging workshop of old plant	Particulate matter	Discharge Standard of Pollutants for Foundry Industry GB39726-2020	30mg/m ³	28.00	0.038	
			SO ₂		100mg/m ³	<3	<0.0041	
			NO _x		300mg/m ³	18.00	0.024	
		Exhaust pipe of heat treatment in heat treatment workshop of old plant	Particulate matter	Discharge Standard of Pollutants for Foundry Industry GB39726-2020	30mg/m ³	<1	<0.027	
			SO ₂		300mg/m ³	157.00	<0.081	
			NO _x		100mg/m ³	<3.0	<0.081	
7	MCC (Shanghai) Steel Structure Technology Co., Ltd. (中冶(上海)鋼結構科技有限公司)	Exhaust vent from structured 10A workshop	10A workshop Non-methane hydrocarbons	Integrated Emission Standards of Air Pollutants DB 31/199-2015	70mg/Nm ³	3.39	0.23	Atmosphere
		Exhaust vent from structured workshop door No. 9	workshop door No. 9 Non-methane hydrocarbons		70mg/Nm ³	1.35	0.09	
		Vent from fitting workshop east paint shop	Non-methane hydrocarbons		70mg/Nm ³	1.15	0.08	

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(3) Enterprises under special supervision of wastewater treatment plants

No.	Company name	Discharge vent	Name of main pollutant and characteristic pollutant standard	Executive	Emission standard	Actual emission	Total emission rate (kg/h)	Discharge flow
1	Gu'an Enfi Environmental Protection Energy Co., Ltd. (固安恩菲環保能源有限公司)	Main vent of wastewater	COD	Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996) (Level III) and requirements for influent water quality of Gu'an	500mg/L	120.16	5.62	Sewage Treatment Co., Ltd. (固安綠源城區污水處理有限公司)
			Ammoniacal nitrogen	Lvyuan Urban Sewage Treatment Co., Ltd.	45mg/L	1.58	0.07	
			PH		6~9	7.53	/	
2	Enfi Urban Solid Waste (Xiaogan) Co., Ltd. (恩菲城市固廢(孝感)有限公司)	Main vent of wastewater	COD	Integrated Wastewater Discharge Standard (GB8978-1996) (Level III) and Water Collection Standard of Sewage Treatment Plant of Xiaogan	400mg/L	27.62	0.025	Sewage treatment plant of Xiaogan (孝感市污水處理廠)
			Ammoniacal nitrogen		40mg/L	0.21	0.00019	

2. Construction and operation of pollution prevention facilities

During the Reporting Period, the Company's various key emission discharging enterprises have continuously strengthened the management and control of environmental protection facilities, operations and other aspects, and pollution prevention and control facilities were running normally and steadily, with standard pollutant emissions.

- (1) All waste incineration power plants kept increasing control over percolate, fly ash, flue gas purification system, etc., in order to guarantee waste water treatment and smoke and dust emission are compliant with the emission standards.
- (2) Wastewater treatment process mainly adopted primary treatment (physical and chemical treatment process) + secondary treatment (biochemical treatment process) + tertiary treatment (advanced treatment process), in which the plants mainly executed the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (Level I Standard A) (GB18918-2002) for effluent quality.
- (3) As a key enterprise in Shanghai, MCC Steel Manufacturing Plant I has three VOC vents and five particulate matter vents, with activated carbon adsorption for the VOC vents and cartridge filtration for the particulate matter vents for dust removal, with facilities running normally throughout the year. The annual environmental monitoring is consistently qualified, achieving full compliance with the emission standards.

3. Environmental impact assessment of construction projects and other permits granted by environmental protection administrative departments

All construction projects of each of the key emission discharging enterprises of the Company have been approved by the Environmental Impact Assessment (EIA), with the environmental protection requirements in the EIA and acceptance approval documents having been implemented.

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4. *Contingency plans for environmental emergencies*

Each of the key emission discharging enterprise of the Company has worked out contingency plans for environmental emergencies and has filed them with the local Ecological Environment Bureau.

5. *Environmental self-monitoring plans*

Each of the key emission discharging enterprise of the Company has formulated environmental self-monitoring plans to ensure that monitoring data are transmitted and monitored in real time by local environmental protection authorities via the Internet.

6. *Administrative punishment for environmental problems during the Reporting Period*

☐ Applicable ☒ Not applicable

During the Reporting Period, none of the Company's key emission discharging enterprises were subject to administrative punishment due to environmental problems.

7. *Other information about environmental protection that should be made public*

☐ Applicable ☒ Not applicable

(II) **Information on environmental protection of companies not under the List of Enterprises with Significant Waste Disposal**

1. *Administrative punishment due to environmental problems*

During the Reporting Period, the subsidiaries of the Company were subject to 11 administrative penalties for environmental problems such as noise and dust etc., with fines of RMB596,000 in total. The rectifications of such issues have been completed so far.

2. *Disclosure of other environmental information with reference to the enterprises with significant waste disposal*

(1) Information about pollution discharge

- ① CISDI Equipment Co., Ltd. (中冶赛迪装备有限公司): The main pollutants are exhaust gas and waste water, and the main air pollutants include volatile organic compounds, particulate matter, nitrogen oxides and sulfur dioxide. The emission concentrations of such air pollutants meet the emission standard. The main water pollutants include ammonia nitrogen, suspended solids and chemical oxygen demand. The discharge concentrations of such water pollutants meet the discharge standard after waste water is treated in the biochemical tank and then discharged to the sewage treatment plant in the Park.
- ② WISDRI (Wuhan) Heavy Machinery Co., Ltd. (中冶南方(武汉)重工製造有限公司): The main pollutant is exhaust gas, and the main air pollutant is volatile organic compounds. The emission concentration meets the emission standards after being treated by pollution prevention and control facilities.

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- ③ Zhengzhou Baoye Steel Structure Co., Ltd. (鄭州寶冶鋼結構有限公司): The main pollutants are exhaust gas, general industrial solid waste and household waste water, and the main air pollutants include particulate matter, benzene, toluene, xylene, non-methane hydrocarbons, nitrogen oxides and sulfur dioxide, the emission concentrations of which all meet the emission standards. The main water pollutants include ammonia nitrogen, suspended solids, chemical oxygen demand, five-day BOD, total nitrogen, total phosphorus and petroleum, the discharge concentration of which all meet the discharge standards. The major kinds of general industrial solid waste are scrap steel, scrap copper, wire reel, iron powder, iron scraps and oxidising slag, which are collected, stored and disposed of in compliance with regulations.
- ④ Engineering projects: The main pollutants include dust, wastewater, noise, solid waste, etc.

(2) Construction and operation of pollution prevention and control facilities

Each production enterprise of the Company has built various pollution control facilities for wastewater, exhaust gas, solid waste and noise in accordance with the EIA report and approval requirements; each project is equipped with mist cannon trucks, spraying cars, car washing stations, garbage stations and other facilities; in addition, bare soil is covered with dense mesh and noise reduction measures are taken for high-noise operations. The specific construction contents are as follows:

① CISDI Equipment Co., Ltd. (中冶賽迪裝備有限公司)

Exhaust gas treatment facilities: organic gases adsorption filtration system and bag type dust collector system are effectively operated, and the treated exhaust gas is discharged in compliance with standards.

Wastewater treatment facilities: After being treated by biochemical tank, the waste water is discharged into the sewage treatment plant of the park, the discharge concentrations of which all meet the discharge standard.

Solid waste treatment facilities: special hazardous waste and solid waste warehouses are built, hazardous wastes and solid waste are entrusted to units with business license qualifications for transfer and disposal, and five-duplicate procedures have been completed in accordance with the Measures for the Administration of Hazardous Waste Transfer Manifests (《危險廢物轉移聯單管理辦法》).

② WISDRI (Wuhan) Heavy Machinery Co., Ltd. (中冶南方(武漢)重工製造有限公司)

Exhaust gas treatment facilities: We adopt ground absorption exhaust gas collection, cyclone tower, dry filter, UV photolysis/photocatalysis, activated carbon adsorption process to purify paint fume and then discharge in compliance with emission standard.

Noise pollution prevention and control measures: We select low-noise or self-contained muffler equipment, high-noise equipment with vibration reduction, sound insulation in buildings and other measures to reduce noise pollution.

Solid waste treatment facilities: special hazardous waste warehouses are built, hazardous wastes are sold to units with corresponding hazardous solid waste business license qualifications for comprehensive recovery, and five-duplicate procedures for hazardous waste transfer have been completed in accordance with the Measures for the Administration of Hazardous Waste Transfer Manifests (《危險廢物轉移聯單管理辦法》).

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③ Zhengzhou Baoye Steel Structure Co., Ltd. (鄭州寶冶鋼結構有限公司)

Exhaust gas pollution control measures: three sets of smoke and dust purification and treatment devices (filter cartridge dust collector and three 20m-high exhaust pipes) are equipped for treating smoke and dust as a result of cutting. Five sets of central smoke and dust purification and treatment systems and five 20m-high exhaust pipes are equipped for treating smoke and dust as a result of welding (each welding station is provided with suction hood). Two sets of spraying-drying integrated spraying rooms, including two sets of paint mist filtration systems (including glass fiber filter felt and two stage paint mist filtration devices), two sets of activated carbon adsorption devices, one set of desorption catalytic combustion devices, one 20m-high exhaust pipe are equipped for treating organic gases such as paint mist, xylene and non-methane hydrocarbons. Three 20m-high exhaust pipes (for treating natural gas, combustion exhaust gas, smoke and dust, SO₂, NO_x, etc.) are equipped in the drying burner.

Noise pollution control measures: select wind turbines with high efficiency, low noise, low speed and high quality, and adopt shock absorption foundation, flexible joint, and sound insulation in buildings to reduce noise pollution.

Solid waste treatment facilities: special hazardous waste warehouses are built, hazardous wastes are sold to units with corresponding hazardous solid waste business license qualifications for comprehensive recovery, and five duplicate procedures for hazardous waste transfer have been completed in accordance with the Measures for the Administration of Hazardous Waste Transfer Manifests (《危險廢物轉移聯單管理辦法》).

④ Engineering projects

Flying dust prevention and control measures: strictly implement the "six 100%" measures of flying dust prevention and control, and adopt dust reduction measures such as water-spraying on tower cranes, high-rise buildings, walls and mist cannon trucks, as well as dust prevention measures such as covering bare soil, greening and solidification based on the construction characteristics of the projects. Besides, sealing measures for transportation of high-floor garbage and muck are adopted, and vehicles shall be washed and cleaned before entering and leaving the site. Such measures are in line with the limit requirements of comprehensive emission standards of air pollutants.

Waste water prevention and control measures: drainage facilities are set up on the construction sites, and waste water is treated by pretreatment facilities such as tertiary sedimentation tanks. After the water in monitoring wells passes quality tests, part of the waste water is reused for greening irrigation, water spraying and dust reduction, etc..

Noise prevention measures: reasonably arrange the plan to keep high-noise facilities and equipment away from surrounding noise-sensitive buildings, set up continuous closed enclosures to isolate noise, set up closed protective cover in woodworking sheds, select low-vibration and low-noise construction machineries, and regularly monitor noise volume at the factory boundary to keep in line with the environmental noise emission standards for the construction sites.

Solid waste prevention and control measures: construction waste classification collection facilities are set up on the construction site; wastes of steel, wood and concrete are rationally reused in combination with the site, and the remaining wastes are recycled for resources recycling. In addition, we entered into solid waste removal contracts with qualified units to dispose of discharged solid wastes in compliance with the rules.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

3. Reasons for non-disclosure of other environmental information

☐ Applicable ☒ Not applicable

(III) Relevant information conducive to protecting ecology, preventing pollution and fulfilling environmental responsibilities

During the Reporting Period, the Company actively responded to the national call for ecological advancement, thoroughly implemented Xi Jinping's thought on ecological civilisation, and carried out the protection of ecological environment and leading green development throughout all fields of its production and construction. The Company actively promoted green and low-carbon socio-economic development and, relying on its new advantages in energy conservation and environmental protection, opened up a vivid practice in green and high-quality development.

The Company resolutely implemented the decision-making and deployment of the CPC Central Committee and the State on carbon peak carbon neutral work, actively promoted the implementation of energy conservation and emission reduction strategies, optimised the industrial layout, and continuously improved its technological innovation and leading capacity in carbon emission management, low-carbon and green development, and environmental governance, so as to take the road of green, low-carbon and high-quality development.

The Company effectively practiced its responsibilities as a central enterprise, established a sound environmental management system to actively build a resource-saving and environment-friendly enterprise, and placed ecological environmental protection at the forefront of its development strategy and production and operation.

The Company empowered the low-carbon development of the industry on an ongoing basis, leveraged its advantages of the entire metallurgical industry chain, focused on green upgrading in the iron and steel metallurgy sector, and actively participated in the development and application of renewable and clean energy in the upstream and downstream of the industrial chain, promoting the energy conservation and carbon reduction in the whole life cycle of the construction industry. Moreover, the Company has attached great importance to ecological environmental protection and provided technical support and services for the environmental protection industry by continuously improving its R&D and innovation level.

(IV) Measures adopted to reduce carbon emission during the Reporting Period and its results

Whether carbon reduction measures are adopted	Yes
Reduction in carbon dioxide equivalent emissions (<i>in tons</i>)	Not Applicable
Types of carbon reduction measures (e.g. use of clean energy for power generation, use of carbon reduction technologies in production processes, research and development of new products that contribute to carbon reduction, etc.)	Use of clean energy for power generation, technological innovation, etc.

Note: The Company's carbon dioxide emissions (comparable price) in terms of RMB10,000 output value (operating revenue) declined by 1.04% year-on-year during the Reporting Period.

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Detailed description

The Company has accelerated the promotion of mature low-carbon energy-saving technologies, created typical low-carbon engineering industry benchmarking projects, and promoted demonstration engineering projects such as carbon cycle blast furnaces, oxygen blast furnaces, electric furnaces and hydrogen-based shaft furnaces. The high-efficiency reduction “3R” hydrocarbon blast furnace technology independently researched and developed by its subsidiary CISDI has been applied in Hebei Zongheng Iron and Steel, which reduces fuel consumption by 20-40kg per ton of iron compared with conventional blast furnaces, and reduces carbon emissions by approximately 410,000 tons per year, which is equivalent to a reduction of 160,000 tons of standard coal consumption; the independently researched and developed short-flow, high-efficiency and low-carbon electric arc furnace for steelmaking was applied in Yunnan Yuxi Xianfu Iron & Steel Project (雲南玉溪仙福鋼鐵項目). By adopting a new type of IGBT flexible DC power supply and DC multi-stage regulation and control technology, and eliminating the need for SVC/SVG devices, the technology has realised the grid-side power factor of ≥ 0.95 , which has increased the power utilisation rate of the arc furnace, significantly reduced the reactive power loss and electrode consumption, and lowered the carbon emission of the project by approximately 11.23% compared with the industry average. The subsidiary MCC Capital has taken the lead in transforming hydrogen metallurgy technology from a research laboratory to large-scale industrialised production. It has successfully constructed an iron and steel short-flow manufacturing system with “hydrometallurgy + electric furnace” as its core, and has built the first domestic hydrometallurgy demonstration project production line in HBIS Xuansteel, which has achieved continuous safe and stable production, significantly reducing carbon emissions by more than 70% in the production process and achieving a breakthrough in the national production rate of the first set of hydrometallurgy technology equipment by more than 60%; and has overcome the technical difficulties of full energy recovery in the low and medium temperature sections of the converter flue gas, solved the technical problems of anti-explosion, explosion relief, high-temperature fire capture, gas quality improvement, full dry collection of large particle ash and direct reuse, and developed a new and innovative explosion-proof full residual heat dry recovery process, achieving reliable and efficient recovery of residual heat at 800-200°C. Through the engineering demonstration and simultaneous launch of project R&D iterative upgrading, the Company continues to improve and perfect the key technological parameters and core equipment of the relevant results, continuously enhances the standard of R&D results and the efficiency of energy saving and carbon reduction, expands the influence of the industry, continues to enhance market competitiveness and promotes the application of the project in a comprehensive manner.

The Company vigorously promotes resource conservation and recycling, and practices green construction by turning waste into treasure. The Company actively promotes green construction, adopts organisational management methods such as general contracting and whole-process engineering consultation, strengthens the integrated and coordinated management of design and construction, and reduces resource consumption at the source through double-optimisation measures. The Company actively promotes the factory processing of materials, realises accurate material placement and detailed management, and reduces the loss rate of construction materials. The Company makes full use of surplus materials such as concrete, reinforcement and templates, and implements recycling. It also gives full consideration to the combined use of temporary and permanent construction facilities, so as to realise the combination of “permanent and temporary” and reduce the generation of construction waste.

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The subsidiary China ENFI has verified the conditions for the pilot test of the side-blowing antimony smelting process using a side-blowing furnace with antimony sulphide ore and antimony gold concentrate as raw materials, and the expansion of the pilot study may reduce energy consumption by more than 10%, effectively reducing the total amount of carbon emissions; it has also initiated a study on the side-blowing smelting technology of nickel-containing oxide material and leaching slag, put forward the process technology of oxygen-enriched side-blowing short-flow smelting of nickel laterite ore to prepare low-nickel quartz and explored the process technology's economic feasibility, with carbonaceous reductant dosage reduced by 20%, the operating temperature reduced by 100-150℃, and the level of energy consumption and carbon emissions significantly reduced, which has provided a new type of green and low-carbon pyrometallurgical process technology for the development and utilisation of nickel laterite ore resources.

The subsidiary CISDI has actively built an experimental platform and successfully developed high-efficiency transverse flux induction heating technology, replacing traditional fossil energy heating with a green power system, which has advantages of high energy density (10MW/m³), fast heating speed (50° C/s), high overall heating efficiency (approximately 65%) and low carbon emission; and has achieved fruitful results in the energy field, with the supercritical, intermediate reheat gas power generation technology making the efficiency of power generation exceeding 43%, which helps the clean production of iron and steel enterprises and provides solid support for the sustainable development of the industry.

The subsidiary China MCC 5 Group Co., Ltd. has actively involved in exploring the creation of near-zero-carbon construction sites, the MCC 5 Science and Technology Centre project (五冶科技中心項目) implemented by it has obtained the near-zero-energy consumption building design stage assessment certification from the China Association of Building Energy Efficiency (中國建築節能協會); the Xiong'an International Trade Centre project has obtained the net-zero-carbon building certification; and the Construction Project (Phase I) of Tianfu Yongxing Laboratory Park (天府永興實驗室園區建設項目(一期)) has become the first batch of near-zero-carbon construction sites in Chengdu City, through the adoption of new energy substitutions for transport vehicles or mechanical equipment in the construction process, adopting cutting-edge technologies such as resource recycling and photovoltaic technologies in the construction process, and actively using construction waste recycling products in the construction projects, the Company has reduced the use of high-energy, high-emission mechanical equipment in the traditional construction process, and has helped the local government to promote the green transformation and upgrading of its industries.

The Company actively optimised the energy structure to improve energy efficiency. Domestic waste incineration project can replace fossil fuel power supply and reduce carbon dioxide emissions, and can also replace sanitary landfills and reduce methane emissions, thus realising "control of methane emissions + instead of generating electricity" double carbon emissions reduction effect. During the Reporting Period, the domestic waste incineration power generation enterprises operated by China ENFI, subsidiaries of the Company, processed a total of 1,652,300 tons of domestic waste, and generated 708,754,400 kWh of electricity, with an on-grid capacity of 583,020,860 kWh, thus realising a carbon emission reduction of 587,400 tonnes of carbon dioxide equivalent.

The subsidiaries, Beijing Zhongshe Water Treatment Co., Ltd. ("Beijing Zhongshe"), Lanzhou Zhongtuo Water Corporation ("Lanzhou Zhongtuo") and Shouguang North Water Corporation MCC, utilised the pool photovoltaic system to generate electricity, with an annual power generation capacity of approximately 1,400,800 kWh, realising a reduction of 984.76 tons of carbon dioxide equivalent; Beijing Zhongshe, Zhuozhou Songlindian and Lanzhou Zhongtuo utilised the wastewater-sourced heat pumps to produce cooling and heating for the plant area, which reduced the consumption of electric power, realising a reduction of 618.3 tonnes of carbon dioxide equivalent in the whole year.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

II. SOCIAL RESPONSIBILITY WORK

(i) Whether the social responsibility report, sustainable development report or ESG report are disclosed separately

For details of the sustainable development disclosed separately by Company, please refer to the MCC 2024 Environmental, Social and Corporate Governance and Sustainable Development Report.

(ii) Details of social responsibility work

External donations, public welfare projects	Number/content	Explanation
Total investment (RMB'0,000)	541.18	In 2024, the Company made a total of 36 external donations with a total donation amount of RMB5,411,800.
Including: funds (RMB'0,000)	531.57	Donated a total of RMB600,000 to Malkang City, Aba Tibetan and Qiang Autonomous Prefecture, Sichuan Province, Ningyuan County, Hunan Province and Maanshan; donated RMB894,500 to Liaoning University of Science and Technology, Inner Mongolia University of Science and Technology, and others; donated a total of RMB3,821,200 to overseas project sites in Madang Province, Pakistan's Balochistan and Kabul, Afghanistan.
Value of materials (RMB'0,000)	9.61	Donated tyres, diesel fuel and medical supplies to PNG Department of Labour, Madang Provincial Government and the Health Department in Madang Province. The above donations totaled RMB96,100.
Number of beneficiaries (persons)	67,657	–

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

III. THE SPECIFIC WORK TO CONSOLIDATE AND EXPAND THE ACHIEVEMENTS IN POVERTY ALLEVIATION AND TO PROMOTE RURAL REVITALISATION

Poverty alleviation and rural revitalisation projects	Number/content	Explanation
Total investment (RMB'0,000)	RMB29,030,000	In 2024, the Company allocated RMB17,360,000 of non-reimbursable assistance funds for targeted help and counterpart support. The total amount of agricultural products purchased from targeted counties and poverty-removed areas for consumer assistance was RMB11,670,000.
Including: funds (RMB'0,000)	RMB17,360,000 was allocated as non-reimbursable assistance; a total of RMB11,670,000 was allocated to provide consumer assistance.	The non-reimbursable assistance funds for targeted assistance and counterpart support undertaken by the Company in 2024 amounted to RMB17,360,000, including: RMB5,800,000 allocated to Dejiang County for five projects of industry revitalisation; RMB4,020,000 allocated to Yanhe County for seven projects of industry revitalisation and one project of talent and culture revitalisation; RMB4,820,000 allocated to Zhenxiong County for three projects of industry revitalisation, one project of ecology revitalisation and four projects of culture and talent revitalisation; and RMB2,720,000 allocated to Panzhihua Technician College for the "Mining Heart (礦心)" vocational education programme. In 2024, trade unions at all levels were organised to actively carry out consumer assistance, and purchased a total of RMB11,670,000 of agricultural products from targeted counties and poverty-removed areas throughout the year.
Value of materials (RMB'0,000)	–	–
Number of beneficiaries (persons)	Approx. 20,000 persons	Over 11,000 people benefited from industrial and employment poverty alleviation, over 3,000 people from education poverty alleviation and over 6,000 people from consumption poverty alleviation.
Forms of assistance (e.g. industrial poverty alleviation, employment poverty alleviation, educational poverty alleviation, etc.)	Industrial poverty alleviation, employment poverty alleviation, educational poverty alleviation, consumption poverty alleviation	Relying on the Yanhe County Heishui Town Peach and Pear Joy Industry Base (沿河縣黑水鎮桃梨歡喜產業基地) and the Dejiang County Xinjing Collective Economy Citrus Industrial Park (德江縣新景集體經濟柑橘產業園), the industrial poverty alleviation and employment poverty alleviation were carried out; education poverty alleviation was carried out by Panzhihua Vocational and Technical College; and the consumption poverty alleviation was carried out through purchasing agricultural specialties from the counties under assistance. In particular, the Company's rural revitalisation project named after "Happy Peach and Pear" was selected as a Central Corporate Social Responsibility Outstanding Case in 2024, reflecting the Company's responsibility and leadership in promoting social progress and sustainable development of the community.

SIGNIFICANT EVENTS

I. PERFORMANCE OF UNDERTAKINGS

(I) Events of undertakings made by relevant parties such as de facto controllers, Shareholders, related parties and acquirers of the Company and the Company during the Reporting Period or subsisting during the Reporting Period

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in detail	If not performed timely, specify further plans
Commitments made in a report of acquisition or a report on changes in equity	Maintaining the independence of the listed company	China Minmetals	China Minmetals will safeguard the independence of MCC's personnel, assets, finances, organisations and businesses. The commitments continue to be valid, cannot be altered and are irrevocable during the period in which China Minmetals has control over MCC or there is relatively material impact. If there is any breach of the above commitments, China Minmetals shall assume all losses to MCC.	17 February 2016, 13 December 2024	No	Continuing to be valid during the period in which China Minmetals has control over MCC or there is relatively material impact	Yes	-	-
Commitments made in a report of acquisition or a report on changes in equity	Prevention of horizontal competition	China Minmetals	<ol style="list-style-type: none"> In respect of businesses carried out by China Minmetals and other controlled companies which overlap with those of MCC, China Minmetals will, according to its actual situations and the characteristics and development trend of the industry in which it operates, actively adopts different methods such as entrusted management, asset restructuring, equity swap and business adjustment to minimise the business overlap between the two parties. Upon the completion of the acquisition, China Minmetals and its other controlled companies will not, in whatever form, directly or indirectly, engage in new businesses competing with MCC, and will not establish controlling subsidiaries which engage in the same or similar businesses that will constitute substantial horizontal competition with MCC. China Minmetals will supervise its controlled companies and adopt certain measures when necessary. Subject to the above principles 1 and 2 and upon the completion of the acquisition, if the products or services that will be operated by the unlisted subsidiaries controlled by or other unlisted related enterprises of China Minmetals are likely to compete with the main products or services of MCC, China Minmetals will agree that MCC shall be entitled to preferentially acquire the assets in relation to these products or services or 100% equity of China Minmetals in the subsidiaries. MCC shall be entitled to determine the time to request China Minmetals to sell the abovementioned competing businesses at its discretion. China Minmetals will abstain from voting at the Board meeting or general meeting at which MCC reviews whether its new businesses constitute horizontal competition with China Minmetals and whether to exercise the above option right and pre-emptive rights. 	17 February 2016, 13 December 2024	No	Continuing to be valid during the period in which China Minmetals has control over MCC or there is relatively material impact	Yes	-	-

SIGNIFICANT EVENTS

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in detail	If not performed timely, specify further plans
			<p>5. China Minmetals undertook that it will strictly comply with the relevant regulations of the CSRC and the SSE, and the Articles of Association and other rules and regulations of MCC, and equally exercise the shareholder's rights and perform the shareholder's obligations. It also undertook not to take advantage of its privileged positions as the substantial shareholder nor impair the legal interests of MCC or other shareholders. The above undertakings will continue to be effective and cannot be changed or revoked during the period in which China Minmetals has control over, or is able to exercise significant influence over, MCC. If there is any breach of the above commitments, China Minmetals shall assume all losses to MCC.</p>						
Commitments made in a report of acquisition or a report on changes in equity	Reducing and regulating related transactions	China Minmetals	<p>1. China Minmetals will fully respect the independent legal entity status of MCC and safeguard the independent operation and independent decision-making of MCC.</p> <p>2. To ensure that China Minmetals and other companies or economic organisations under its controlling or de facto control (excluding enterprises controlled by MCC, hereinafter collectively referred to as "Affiliated Enterprises of China Minmetals") will avoid or reduce the occurrence of related transactions with China Minmetals as far as possible in the future.</p> <p>3. In the event of unavoidable or reasonable related transactions between MCC and China Minmetals and its affiliated enterprises in its future business activities, China Minmetals will cause such transactions to be carried out in strict accordance with the relevant national laws and regulations, the Articles of Association of MCC and the relevant provisions of the CSRC, and will sign agreements with MCC in accordance with the law, and make disclosure in a timely manner in accordance with the law; and will ensure that the transactions will be carried out in accordance with normal commercial conditions, the pricing will be fair and that the legitimate rights and interests of MCC and its other shareholders will not be jeopardised by the related transactions.</p> <p>4. China Minmetals and its affiliated enterprises will strictly and in good faith perform the various related agreements entered into between China Minmetals and MCC; China Minmetals and its affiliated enterprises will not seek any benefits or gains from MCC beyond what is provided for in those agreements.</p> <p>The commitments continue to be valid, cannot be altered and are irrevocable during the period in which China Minmetals has control over MCC or there is relatively material impact. If there is any breach of the above commitments, China Minmetals shall assume all losses to MCC.</p>	17 February 2016, 13 December 2024	No	Continuing to be valid during the period in which China Minmetals has control over MCC or there is relatively material impact	Yes	-	-
Undertakings in relation to the initial public offering	Solution to and prevention of horizontal competition	CMGC	CMGC undertook to avoid being engaged in or taking part in any business which may compete horizontally with the principal business of MCC.	5 December 2008	No	Continuing to be effective as a shareholder holding 30% or more of the Company's shares	Yes	-	-

SIGNIFICANT EVENTS

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in detail	If not performed timely, specify further plans
Undertakings in relation to non-financial corporate debt financing instruments	Others	MCC	The funds raised from the 2022 First Tranche of Medium-term Notes, the Second Tranche of Medium-term Notes and the Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd. are used only for production and operating activities of enterprises that comply with national laws, regulations and policies, and shall not be used for land, real estate, equity, securities, futures and other areas prohibited by national regulations. Funds raised for the current period will be used to meet the liquidity requirements that comply with national laws, regulations and policies, and shall not be used for long-term investment. During the term of above Medium-term Notes, if the uses of funds are changed, the relevant information will be disclosed in a timely manner.	7 December 2022, 14 December 2022, 21 December 2022	Yes	The issuance dates to redemption dates	Yes	-	-
	Others	MCC	The funds raised from the 2023 Tenth Tranche of Medium-term Notes to Thirteen Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.* are used only for production and operating activities of enterprises that comply with national laws, regulations and policies, and shall not be used for land, real estate, equity, securities, futures and other areas prohibited by national regulations. Funds raised for the current period will be used to meet the liquidity requirements that comply with national laws, regulations and policies, and shall not be used for long-term investment. During the term of above Medium-term Notes, if the uses of funds are changed, the relevant information will be disclosed in a timely manner.	18 August 2023, 23 August 2023, 31 August 2023, 1 September 2023	Yes	The issuance dates to redemption dates	Yes	-	-
Undertakings in relation to non-financial corporate debt financing instruments	Others	MCC	The funds raised from the 2024 First Tranche to Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.* are used only for production and operating activities of enterprises that comply with national laws, regulations and policies, and shall not be used for land, real estate, equity, securities, futures and other areas prohibited by national regulations. Funds raised for the current period will be used to meet the liquidity requirements that comply with national laws, regulations and policies, and shall not be used for long-term investment. During the term of above Medium-term Notes, if the uses of funds are changed, the relevant information will be disclosed in a timely manner.	21 February 2024, 23 February 2024, 14 March 2024, 18 March 2024, 24 July 2024, 7 August 2024, 9 August 2024, 21 August 2024, 22 August 2024, 23 August 2024, 26 August 2024, 27 August 2024	Yes	The issuance dates to redemption dates	Yes	-	-
	Others	MCC	The funds raised from the 2025 First Tranche of Medium-term Notes to Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.* are used only for production and operating activities of enterprises that comply with national laws, regulations and policies, and shall not be used for land, real estate, equity, securities, futures and other areas prohibited by national regulations. Funds raised for the current period will be used to meet the liquidity requirements that comply with national laws, regulations and policies, and shall not be used for long-term investment. During the term of above Medium-term Notes, if the uses of funds are changed, the relevant information will be disclosed in a timely manner.	3 March 2025, 20 March 2025, 12 March 2025, 24 March 2025, 27 March 2025	Yes	The issuance dates to redemption dates	Yes	-	-

SIGNIFICANT EVENTS

- (II) **When there is profit forecast regarding assets or projects of the Company, and if the Reporting Period remains in the profit forecast period, the Company shall give an explanation of whether such assets or projects have realised the original profit forecast and its reasons**

☐ Realised ☐ Not realised ☒ Not applicable

- (III) **Fulfilment of performance undertakings and its impact on goodwill impairment test**

☐ Applicable ☒ Not applicable

II. MISAPPROPRIATION OF FUNDS BY THE CONTROLLING SHAREHOLDERS OR OTHER RELATED PARTIES FOR NON-OPERATING PURPOSES DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

III. BREACH OF GUARANTEES

☐ Applicable ☒ Not applicable

IV. EXPLANATION ON THE “NON-STANDARD AUDIT REPORT” ISSUED BY THE ACCOUNTING FIRM OF THE BOARD OF DIRECTORS

☐ Applicable ☒ Not applicable

V. ANALYSIS OF REASONS AND IMPACT OF ACCOUNTING POLICY, CHANGES TO ACCOUNTING ESTIMATE OR CORRECTION TO MATERIAL ACCOUNTING ERRORS OF THE COMPANY

- (I) **Analysis of reasons and impact of accounting policy and changes to accounting estimate of the Company**

☐ Applicable ☒ Not applicable

- (II) **Analysis of reasons and impact of correction to material accounting errors of the Company**

☐ Applicable ☒ Not applicable

- (III) **Communication with former accounting firm**

☐ Applicable ☒ Not applicable

- (IV) **Approval process and other explanations**

☐ Applicable ☒ Not applicable

SIGNIFICANT EVENTS

VI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM

Unit: RMB0'000

	Current Appointment
Name of domestic accounting firm	Ernst & Young Hua Ming LLP
Remuneration of domestic accounting firm	1,600
Term of audit by domestic accounting firm	3 years
Name of certified public accountant of domestic accounting firm	Zhang Ningning, Zhang Ying
Term of accumulative audit services by certified public accountant of domestic accounting firm	Each for 3 years

	Name	Remuneration
Accounting firm for internal control audit	Ernst & Young Hua Ming LLP	150

Description of appointment and dismissal of accounting firm

As approved by the 2023 Annual General Meeting of the Company, the Company has renewed its appointment to Ernst & Young Hua Ming LLP as the auditor of the financial reports of the Company for the year 2024, the auditor of the semi-annual financial report and the auditor of the internal control of the Company for the year 2024 for the annual audits and interim review of the financial statements of the Company prepared in accordance with PRC GAAP (for details, please refer to the relevant announcements disclosed by the Company on 29 March 2024 and 26 June 2024).

Explanation on change in appointment of accounting firm during the audit period

☐ Applicable ☒ Not applicable

Explanation on the reduction of audit fees by 20% or more (inclusive) compared to the previous year

☐ Applicable ☒ Not applicable

SIGNIFICANT EVENTS

VII. RISK EXPOSURES TO SUSPENSION OF LISTING

(I) Reasons for suspension of listing risk warning

☐ Applicable ☒ Not applicable

(II) Measures proposed by the Company in response to risks

☐ Applicable ☒ Not applicable

(III) Situation of and reasons for delisting

☐ Applicable ☒ Not applicable

VIII. EVENTS IN RELATION TO BANKRUPTCY AND REORGANISATION

☐ Applicable ☒ Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION

☐ The Company had material litigation and arbitration during the year ☒ The Company had no material litigation and arbitration during the year

X. SUSPECTED VIOLATION OF LAWS AND REGULATIONS, THE PENALTIES AND RECTIFICATION OF THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

☐ Applicable ☒ Not applicable

XI. EXPLANATION ON INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

During the Reporting Period, the Company and its Controlling Shareholder did not fail to fulfill the obligations specified in the effective legal documents of the court or any overdue liability with a relatively significant outstanding amount and was not otherwise involved in any.

SIGNIFICANT EVENTS

XII. MATERIAL CONNECTED TRANSACTIONS

(I) Connected transactions related to day-to-day operation

1. *Events disclosed in interim announcements without further development or change in subsequent implementation*

Overview of the Matter	Query Indexes
<p>At the 57th meeting of the third session of the Board of Directors of the Company convened on 28 March 2024, the Resolution on setting Annual Caps for Daily Related Party Transactions/Continuing Connected Transactions in 2025 and the Proposal in relation to the Entering into of the Financial Services Agreement between MCC and CMC Finance Co., Ltd were considered and approved, which were agreed that the Company would estimate the relevant caps regarding the daily related party transactions and sign the relevant agreements, and submit the resolutions to the general meeting of the Company for consideration after the prior review of Hong Kong Stock Exchange in accordance with the relevant regulations. On 25 June 2024, the above resolutions were considered and approved at the 2023 annual general meeting of the Company.</p>	<p>For details, please refer to the relevant announcements published by the Company on 28 March 2024 and 25 June 2024, respectively.</p>
<p>At the 59th meeting of the third session of the Board of Directors of the Company convened on 16 May 2024, the Resolution on Adjusting the Amount of Related Party Transactions between MCC and CMC Finance Co., Ltd. was considered and approved, which was agreed that the Company would reduce the cap amount of the maximum daily balance of the Group's deposits with CMC Finance Co., Ltd. for the years from 2025 to 2027 under the New Financial Services Agreement, and submit the resolution to its 2023 annual general meeting for consideration after being reviewed by the Hong Kong Stock Exchange. On 25 June 2024, the above resolution was considered and approved at the 2023 annual general meeting of the Company.</p>	<p>For details, please refer to the relevant announcements published by the Company on 16 May 2024 and 25 June 2024, respectively.</p>

2. *Events disclosed in interim announcements and with further development or change in subsequent implementation*

☐ Applicable ☒ Not applicable

SIGNIFICANT EVENTS

3. Events not disclosed in interim announcements

Unit: RMB'000

Party to connected transaction	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Annual caps for 2024	Price of connected transaction	Amount of connected transaction	Percentage to similar transactions (%)	Payment method for connected transaction	Market price	Reason for significant difference between transaction price and reference market price
China Minmetals and its subsidiaries (Except MCC)	Indirect controlling shareholder	Sales of commodities	Purchase and sales of materials – income	Agreed price	6,067,440	-	3,742,022	17.85	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Indirect controlling shareholder	Purchase of commodities	Purchase and sales of materials – expense	Agreed price	23,537,130	-	9,449,843	6.52	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Indirect controlling shareholder	Provision of services	Engineering construction – income	Agreed price	14,290,870	-	6,908,389	1.42	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Indirect controlling shareholder	Acceptance of services	Engineering construction – expense	Agreed price	1,540,000	-	365,413	0.14	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Indirect controlling shareholder	Provision of services	Technical and management services – income	Agreed price	540,000	-	145,827	0.75	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Indirect controlling shareholder	Acceptance of services	Technical and management services – expense	Agreed price	1,160,000	-	236,031	10.30	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Indirect controlling shareholder	Other outflow	Property leasing – expenses	Lease contract	460,000	-	99,446	6.84	-	-	-
CMC Finance Co., Ltd.	Subsidiary of shareholder	Comprehensive credit	Daily maximum balance of provision of comprehensive credit granting to the Company and its subsidiaries by CMC Finance Co., Ltd. <i>Note (1)</i>	Agreed price	30,000,000	-	8,699,144	-	-	-	-
CMC Finance Co., Ltd.	Subsidiary of shareholder	Deposits	Daily deposits balance by the Company and its subsidiaries with CMC Finance Co., Ltd. <i>Note (2)</i>	Agreed price	12,000,000	-	11,455,002	-	-	-	-
CMC Finance Co., Ltd.	Subsidiary of shareholder	Expenditures	Total charges for provision of financial services to the Company and its subsidiaries by CMC Finance Co., Ltd. <i>Note (3)</i>	Agreed price	70,000	-	326	0.06	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Indirect controlling shareholder	Interest expenses	Industrial and financial services – financing costs – financial assistance	Agreed price	1,600,000	-	185,613	4.18	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Indirect controlling shareholder	Expenditures	Industrial and financial services – bond underwriting	Agreed price	330,000	-	1,510	0.03	-	-	-
Total				/	91,595,440	/	41,288,566	/	/	/	/
Details of return of sold goods in large quantities	Not Applicable										
Description of connected transaction	Not Applicable										

SIGNIFICANT EVENTS

- Notes:*
- (1) Including but not limited to loans, acceptances and discounts on bills, guarantees, letters of guarantee and opening letters of credit, including accrued interest incurred;
 - (2) Including accrued interest incurred;
 - (3) Including but not limited to the total amount of agency fees, handling fees, advisory fees or other service fees charged for the provision of advisory, clearing, internet banking, investment, letter of credit, entrusted loans, guarantees, acceptance of bills, letters of guarantee, etc.

In respect of the abovementioned continuing connected transactions, the Company has complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules. During the Reporting Period, in conducting the abovementioned continuing connected transactions, the Company has followed the pricing policies and guidelines determined at the time of entering into transactions.

The Company's Independent Non-executive Directors have reviewed the aforementioned continuing connected transactions and confirmed that these transactions have been entered into:

- (a) in the ordinary course of business of the Company;
- (b) either on normal commercial terms or on terms no less favourable to the Company than those available to or provided from (as appropriate) independent third parties as the Company is concerned; and
- (c) in accordance with the terms of the agreements governing them that are fair and reasonable and in the interests of the Company's Shareholders as a whole.

The Company's auditors were engaged to report on the aforementioned continuing connected transactions of the Company in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their conclusions in respect of the aforementioned continuing connected transactions in accordance with Rule 14A.56 of the Hong Kong Listing Rules, stating that, during the Reporting Period:

- (a) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's Board;
- (b) for transactions involving the provision of goods or services by the Company, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (c) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) nothing has come to the auditor's attention that causes the auditor to believe that the amount of such continuing connected transactions have exceeded the total annual caps set by the Company.

SIGNIFICANT EVENTS

(II) Connected transactions in relation to acquisition of assets or acquisition or disposal of equity

1. *Events disclosed in an interim announcement, yet with no progress or changes in subsequent implementation*

☐ Applicable ☒ Not applicable

2. *Events disclosed in an interim announcement with progress or changes in subsequent implementation*

☐ Applicable ☒ Not applicable

3. *Events undisclosed in an interim announcement*

☐ Applicable ☒ Not applicable

4. *Business results of the Reporting Period shall be disclosed as agreed involving the results*

☐ Applicable ☒ Not applicable

(III) Material connected transactions in relation to joint investment in external parties

1. *Events disclosed in an interim announcement, yet with no progress or changes in subsequent implementation*

☐ Applicable ☒ Not applicable

2. *Events disclosed in an interim announcement and with progress or changes in subsequent implementation*

☐ Applicable ☒ Not applicable

3. *Events undisclosed in an interim announcement*

☐ Applicable ☒ Not applicable

(IV) Related creditors' rights and debt transactions

1. *Events disclosed in interim announcements without further development or change in subsequent implementation*

☐ Applicable ☒ Not applicable

2. *Events disclosed in interim announcements with further development or change in subsequent implementation*

☐ Applicable ☒ Not applicable

3. *Events not disclosed in interim announcements*

☐ Applicable ☒ Not applicable

SIGNIFICANT EVENTS

(V) Financial business between the Company and its related financial companies and financial business between the Company's holding financial company and its related parties

1. Deposits business

During the Reporting Period, the deposits of the Company in CMC Finance Co., Ltd. (referred to as "Minmetals Finance Company", a related party of the Company), are as follows:

Unit: RMB

Connection	Daily maximum deposit limit	Interest rate range of deposits	Balance at the beginning of the period	Connection	Amount for the period		Balance at the end of the period
					Total deposits for the period	Total withdrawal amount for the period	
Minmetals Finance Company	Under common control of China Minmetals	12,000,000,000	0.35%-1.15%	3,111,348,231.83	1,000,986,805,749.69	995,761,026,419.65	8,337,127,561.87
Total	/	12,000,000,000	0.35%-1.15%	3,111,348,231.83	1,000,986,805,749.69	995,761,026,419.65	8,337,127,561.87

2. Loan business

During the Reporting Period, the loan provided by Minmetals Finance Company (a related party of the Company) to the Company and the member units under the Company are as follows:

Unit: RMB

Related party	Connection	Loan facility	Interest rate Range of loans	Balance at The beginning of the period	Amount for the period		Balance at the end of the period
					Total loans for The period	Total repayment for the period	
Minmetals Finance Company	Under common control of China Minmetals	30,000,000,000	2.4%	3,000,000,000	8,600,000,000	4,000,000,000	7,600,000,000
Total	/	30,000,000,000	2.4%	3,000,000,000	8,600,000,000	4,000,000,000	7,600,000,000

3. Credit granting business or other financial business

During the Reporting Period, the comprehensive credit granted by Minmetals Finance Company (a related party of the Company) to the Company and the member units under the Company are as follows:

Unit: RMB

Related party	Connection	Business types	Total	Actual amount
Minmetals Finance Company	Under common control of China Minmetals	Credit granting	30,000,000,000	7,651,600,446.01

SIGNIFICANT EVENTS

4. Other explanations

During the Reporting Period, the agency fees, handling fees, consulting fees or other service fees charged by Minmetals Finance Company (a related party of the Company) for providing financial services to the Company and its subsidiaries are as follows:

Unit: RMB

Related party	Connection	Business types	Total	Actual amount
Minmetals Finance Company	Under common control of China Minmetals	Service expenses	70,000,000	325,964.20

XIII. MATERIAL CONTRACTS AND THE PERFORMANCE THEREOF

(I) Custody, contracting and leasing

1. Custody

☐ Applicable ☒ Not applicable

2. Contracting

☐ Applicable ☒ Not applicable

3. Leasing

☐ Applicable ☒ Not applicable

SIGNIFICANT EVENTS

(II) Guarantees

Unit: RMB

External guarantees provided by the Company (excluding guarantees provided to subsidiaries)														
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Guaranteed amount	Date of guarantee	Inception date of guarantee	Expiration date of guarantee	Type of guarantee	Security (if any)	Whether execution of guarantee has been completed	Is the guarantee expired	Expired amount of the guarantee	Counter guarantee	Whether guarantee is provided to related parties	Connected relationship
				(Signing date of agreement)										
MCC Real Estate	Wholly-owned subsidiary	Zuhai Hengqin Headquarter Building Development Co., Ltd.	475,344,399.96	2023-9-4	2023-9-5	2027-9-5	Joint liability guarantee	Nil	No	No	0	Nil	No	No
MCC 20	Holding subsidiary	Zuhai Hengqin Headquarter Building Development Co., Ltd.	306,673,806.43	2023-9-4	2023-9-5	2027-9-5	Joint liability guarantee	Nil	No	No	0	Nil	No	No
Total amount of guarantees incurred during the Reporting Period (excluding guarantees to subsidiaries)													-55,972,095.63	
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)													782,018,206.39	

Guarantees provided by the Company and its subsidiaries to their subsidiaries

Total amount of guarantees provided to its subsidiaries during the Reporting Period	-1,683,520,258.40
Total balance of guarantees provided to its subsidiaries as at the end of the Reporting Period (B)	7,264,472,715.39

Total guarantees provided by the Company (including guarantees to subsidiaries)

Total amount of guarantees (A+B)	8,046,490,921.78
Total amount of guarantees as a percentage in the net assets of the Company (%)	5.26%
Including:	
Amount of guarantees provided to Shareholders, the de facto controllers and their related parties (C)	0
Debt guarantees directly or indirectly provided to guaranteed parties with gearing ratio of over 70% (D)	5,951,926,715.39
Guarantees with the total amount exceeding 50% of the net assets (E)	0
Total amount of guarantees of the three above items (C+D+E)	5,951,926,715.39
Explanation on the potential joint repaying liability arising from outstanding guarantees	

Explanation on guarantees

As at the end of the Reporting Period, the wholly-owned and controlled subsidiaries of the Company had provided mortgage guarantees for commercial property purchasers totaling RMB5,987 million. Such guarantees are provided by the wholly-owned and controlled subsidiaries of the Company for the commercial property purchasers to secure loans from banks, with the purchasers using the commercial properties purchased as collateral, and such guarantees are required for the normal production and operation of the Company, and the provision of such guarantees poses a relatively small risk to the Company.

SIGNIFICANT EVENTS

(III) Entrusting third parties with cash asset management

1. *Entrusted financial management*

(1) Overall entrusted wealth management

☐ Applicable ☒ Not applicable

(2) Individual entrusted wealth management

☐ Applicable ☒ Not applicable

(3) Provisions for impairment of entrusted wealth management

☐ Applicable ☒ Not applicable

2. *Entrusted loans*

(1) Overall entrusted loans

☐ Applicable ☒ Not applicable

(2) Individual entrusted loans

☐ Applicable ☒ Not applicable

(3) Provisions for impairment of entrusted wealth management

☐ Applicable ☒ Not applicable

SIGNIFICANT EVENTS

(IV) Other material contracts

For details of material contracts entered into by the Company during the Reporting Period, please refer to “Report of Board of Directors, Management Discussion and Analysis”.

XIV. EXPLANATION ON PROCESS IN USE OF PROCEEDS

(I) Overall Use of Proceeds

Unit: RMB0'000

Source of proceeds	Proceeds availability	Total proceeds	Net proceeds after deduction of issuance expenses ⁽¹⁾	Total promised investment amounts out of proceeds in the prospectuses ⁽²⁾	Total amount of excess proceeds ⁽³⁾⁼⁽⁴⁾⁻⁽²⁾	Accumulated investment amount out of proceeds as at the end of the Reporting Period ⁽⁴⁾	Including: accumulated investment amount out of excess proceeds as at the end of the Reporting Period ⁽⁵⁾	Process of accumulated investment of proceeds as at the end of the Reporting Period ⁽⁶⁾⁼⁽⁴⁾⁻⁽⁵⁾ (%)	Process of accumulated investment of excess proceeds as at the end of the Reporting Period ⁽⁷⁾⁼⁽⁵⁾⁻⁽⁶⁾ (%)	Investment amount for the year ⁽⁸⁾	Proportion of investment amount for the year ⁽⁹⁾⁼⁽⁸⁾⁻⁽⁷⁾ (%)	Total proceeds for change of use
Initial Public Offering	14 September 2009	1,897,000	1,835,897.24	1,684,800.00	151,097.24	1,765,632.24	151,097.24	96%	100%	9,347.83	0.51%	493,087.72

Note 1: With the approval of the CSRC, the Company issued 1,613.62 million ordinary shares (A shares) domestically in non-public offering to specific investors in December 2016. The issuance price was RMB3.86 per share, with total funds raised amounting to RMB6,228.57 million. After deducting underwriting and sponsorship fees and other expenses relating to issuance, the net amount of actual proceeds the Company raised was RMB6,173.49 million. As at the end of 2022, the proceeds raised from the above-mentioned non-public issuance of A shares, totaling RMB6,187.79 million, including interest incurred from proceeds deposited in bank, had been fully utilised.

Note 2: The Company raised a total of HKD16.574 billion through its initial public offering of H shares in September 2009; after deducting underwriting and listing intermediary fees, the net proceeds from H shares amounted to HKD15.585 billion. As at the end of the Reporting Period, the Company has utilised a total proceeds from H shares of HKD13.310 billion. The amount of unutilised proceeds from H shares was HKD2.275 billion, all of which was raised for overseas resource development projects, and it will be invested in related projects when conditions permit.

Note 3: The above-mentioned investment amount of proceeds includes the interest generated from the special account for the deposit of proceeds.

SIGNIFICANT EVENTS

(II) Details of the Investment Project by A share IPO Proceeds

1. Use of proceeds from A share IPO

Unit: RMB0'000

Source of proceeds	Project name	Project nature	Whether it is a promised investment project in the prospectus	Whether the change is involved	Total planned investment of proceeds ⁽¹⁾	Investment amount for the year	Accumulated investment amount out of proceeds as at the end of the Reporting Period ⁽²⁾	Process of accumulated investment as at the end of the Reporting Period ^{(3)-(5)(%)}	Date on which project reached expected available status	Closed or not	Whether process of investment is in line with plan process	Specific reason for process of investment not achieved as planned	Efficiency achieved for the year	Efficiency or R&D results achieved of this project	Whether feasibility of project changes significantly, if yes, please specify	Amount of balance
Initial Public Offering	Afghanistan Aynak Copper Mine Project	Production and construction	Yes	No	85,000.00	0	0	0	To be determined after the implementation of the project	No	No	(Note 1)	-	To be determined after the implementation of the project	No	0
Initial Public Offering	Ramu nickel laterite mine project	Production and construction	Yes	No	250,000.00	0	250,000.04 ^(Note 2)	100.00%	Completed and put into operation in December 2012, achieved monthly production target in September 2016, and achieved annual production target in 2017	Yes	No	(Note 3)	44,584.1	Designed production capacity of 32,601 tons of nickel and 3,300 tons of cobalt in hydroxide per year has been achieved	No	0
Initial Public Offering	Innovation base project of the National Steel Structures Engineering Technology Research Center	R&D	Yes	Yes, partially changed	41,487.95 ^(Note 4)	0	42,826.56 ^(Note 2)	100.00%	July 2022	Yes	Yes	-	-	Refer to note 5 for details	Yes ^(Note 4)	13,958.15 ^(Note 4)
Initial Public Offering	Acquisition of equipment for engineering and construction and research and development	Others	Yes	Yes, partially changed	187,036.12 ^(Note 4)	0	199,304.73 ^(Note 2)	100.00%	-	Yes	Yes	-	-	None	No ^(Note 4)	312,963.88 ^(Note 4)
Initial Public Offering	The new project on the manufacturing of forged steel rolling mill and the expansion of the hot processing production capacity in Fuping County, Shaanxi Province	Production and construction	Yes	No	64,300.00	0	64,308.53 ^(Note 2)	100.00%	December 2009	Yes	No	(Note 7)	-	The supporting capacity was increased in phases	No	0
Initial Public Offering	Project in Caofeidian, Tangshan in relation to the production of 500,000 tons of cold bend steel and steel structures	Production and construction	Yes	No	44,000.00	0	44,044.10 ^(Note 2)	100.00%	November 2008	Yes	No	(Note 8)	103.66	Refer to note 13 for details	No	0
Initial Public Offering	Project in relation to an annual production of 400,000 tons of ERW welded pipes by MCC Liaoning Dragon Pipe Industries Co., Ltd. (中冶辽宁龙腾钢管有限公司)	Production and construction	Yes	Yes, partially changed	20,436.04 ^(Note 9)	0	20,667.54 ^(Note 2)	100.00%	October 2011	Yes	No	(Note 10)	-	None	No ^(Note 9)	14,063.96 ^(Note 9)
Initial Public Offering	Project in relation to the production base in Anshan, Liaoning for an annual production of 100,000 tons of quality steel structures (a production line for wind tower tubes)	Production and construction	Yes	Yes	0 ^(Note 11)	0	-	-	-	-	-	-	-	-	Yes ^(Note 11)	-
Initial Public Offering	Large multi-ton die forgings and heavy equipment automation industrial base construction project	Production and construction	No	Yes, partially changed	39,001.18 ^(Note 12)	0	39,001.18	100.00%	September 2011	Yes	No	(Note 12)	21.92	Refer to note 14 for details	Yes ^(Note 12)	9,347.83 ^(Note 12)

SIGNIFICANT EVENTS

Source of proceeds	Project name	Project nature	Whether it is a promised investment project in the prospectus	Whether the change is involved	Total planned investment of proceeds ⁽¹⁾	Investment amount for the year	Accumulated investment amount out of proceeds as at the end of the Reporting Period ⁽²⁾	Process of accumulated investment as at the end of the Reporting Period ⁽³⁾⁻⁽⁵⁾⁽⁶⁾	Date on which project reached expected available status	Closed or not	Whether process of investment is in line with plan process	Specific reason for process of investment not achieved as planned	Efficiency achieved for the year	Efficiency or R&D results achieved of this project	Whether feasibility of project changes significantly, if yes, please specify	Amount of balance
Initial Public Offering	Property development project in Gaohang Town, Pudong	Others	Yes	No	58,800.00	0	58,800.00	100.00%	August 2010	Yes	Yes	-	-	The project achieved a cumulative profit of RMB689,265,300	No	0
Initial Public Offering	Property development project of old town area renovation work (Phase III) in Yuan Yang Town, Jing Kai Yuan, North New District, Chongqing	Others	Yes	No	50,000.00	0	50,683.73 ^(Note 2)	100.00%	August 2013	Yes	Yes	-	362.01	The project achieved a cumulative profit of RMB668,066,300, and received the Chinese Civil Engineering Zhan Tianyou Award and the Excellent Residential Community Gold Award	No	0
Initial Public Offering	Replenishment of working capital and repayment of bank loans	Replenishment of working capital and repayment of loans	Yes	No	844,738.71	9,347.83 ^(Note 3)	844,886.59 ^(Note 2)	-	-	-	-	-	-	-	-	-
Initial Public Offering	Replenishment of working capital and repayment of bank loans by over-subscription proceeds	Replenishment of working capital and repayment of loans	No	No	151,087.24	0	151,087.24	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	1,835,897.24	9,347.83	1,765,632.24	-	/	/	/	/	/	/	/	350,333.82

Notes:

- The Afghanistan Aynak Copper Mine Project: The project carried out Phase II supplementary exploration in the West Mining Area, raising the resource grade under the West Mining Area to exploration level and increasing the copper resources by 1.28 million tons, which resulted in the overall resources of the project increasing to 12.36 million tons. The Company is in close communication with the interim government of Afghanistan and plans to accelerate the completion of the feasibility study demonstration, and early-stage preparations such as road construction, actively create favourable conditions, improve project investment results, and ensure early and effective progress are made jointly with the interim government of Afghanistan.
- The portion that the actual investment amount exceeds the planned investment amount of the project is the interest generated by the project's corresponding capital raising account.
- The Ramu nickel laterite mine project has maintained stable and high production since achieving annual production target in 2017, and continued to generate profits from 2018 to 2024, accumulative gain achieving turnaround.
- National Steel Structure Engineering Technology Research Centre Innovation Base Project: As considered and approved at the 2010 Annual General Meeting, the Innovation base project of the National Steel Structures Engineering Technology Research Center will change the usage of RMB750 million out of the RMB1.5 billion raised in A shares from investing in the project to permanent replenishment to the Company's working capital (for details, please refer to the relevant announcement disclosed by the Company on 18 June 2011); as approved at the first extraordinary general meeting in 2013, the principal and interest amounting to RMB195 million out of the raised funds to be used after 2014 for the project will be changed to a permanent replenishment to working capital (for details, please refer to the relevant announcement disclosed by the Company on 23 November 2013). As approved at the 2022 Annual General Meeting, the usage of the remaining balance of the raised funds and the interest thereof amounting to RMB140 million for the project will be changed to permanent replenishment to working capital (for details, please refer to the relevant announcement disclosed by the Company on 27 June 2023). The cumulative change amounted to RMB1,085 million.

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5. The Innovation Base Project of the National Steel Structures Engineering Technology Research Center has comprehensively upgraded the equipment of five laboratories, including the structural testing laboratory, steel material laboratory, material laboratory, welding laboratory, and testing laboratory. It has also improved the evaluation and testing methods, providing a good platform for conducting basic research, laboratory testing, and inspection analysis, and laying a solid foundation for the successful completion of the establishment and acceptance of the “National Steel Structure Engineering Technology Research Center” and the “National Steel Structure Quality Supervision and Inspection Center”. The Innovation Base has systematically carried out research on the application technology of high-strength and high-efficiency steel for steel structures, steel structure design and software technology, energy-saving and environmentally friendly new steel structure enclosure systems, steel structure construction technology, welding application technology for high-efficiency steel, and steel structure engineering testing and health monitoring technology. It has led and undertaken national key research and development projects such as “Key Technologies and Demonstrations for Industrialisation of Steel Structure Construction” and “Key Technologies and Demonstrations for the Application of Highperformance Structural Steel in Buildings”.
6. As approved at the first extraordinary general meeting of the Company in 2013, the usage of the remaining balance of the raised funds and interest thereof amounting to RMB3.121 billion for the “Equipment Purchase for Engineering and Construction Business and R&D” will be changed to permanent replenishment to working capital of the relevant subsidiaries (for details, please refer to the relevant announcement disclosed by the Company on 23 November 2013; actual amount of funds whose usage had changed was RMB3.13 billion, with the difference being interest generated after 23 August 2013).
7. The new project on the manufacturing of forged steel rolling mill and the expansion of the hot processing production capacity in Fuping County, Shaanxi Province has been successfully debugged and the trial production process is smooth, but it has not yet reached production target, the revenue cannot be confirmed for the time being.
8. Due to the low threshold and fierce competition in the steel structure market, low profits, saturation of metallurgical projects, and insufficient technical reserves in entering new fields, the release of production capacity for the Project in Caofeidian, Tangshan in relation to the production of 500,000 tons of cold bend steel and steel structures has been affected, affecting expected profitability.
9. As approved at the first extraordinary general meeting in 2013, the usage of the remaining balance of the raised funds and interest of RMB141 million for the Project in relation to an annual production of 400,000 tons of ERW welded pipes by MCC Liaoning Dragon Pipe Industries Co., Ltd. (中冶遼寧德龍鋼管有限公司) will be changed to permanent replenishment to working capital.
10. The steel pipe production of the Project in relation to an annual production of 400,000 tons of ERW welded pipes by MCC Liaoning Dragon Pipe Industries Co., Ltd. (中冶遼寧德龍鋼管有限公司) has not reached the break-even point for many years, and the sales volume is below the break-even point. The high processing costs such as labor fees and maintenance fees have led to a total loss of profit for the company. Dragon Pipe Industries Company officially entered the bankruptcy liquidation process on 29 May 2023. The court’s bankruptcy liquidation management team has entered (some of the assets, including houses, vehicles, steel pipes and fittings, are currently in the process of auction, and the remaining employees are being resettled as at the end of 2024) and is waiting for the completion of the liquidation process before entering the subsequent bankruptcy procedures.
11. The project in relation to the production base in Anshan, Liaoning for an annual production of 100,000 tons of quality steel structures (a production line for wind tower tubes) was approved at the 2010 Annual General Meeting, which has been changed to the “Large multi-ram die forgings and heavy equipment automation industrial base construction project” (for details, please refer to the relevant announcement disclosed by the Company on 18 June 2011).
12. The construction of the Large multi-ram die forgings and heavy equipment automation industrial base construction project had been completed in accordance with the feasibility study plan, including the construction and acceptance of the heavy workshop, mold workshop, heat treatment workshop, power station building, multiple-use building, and research and development building. The construction of 40MN and 120MN multi-directional forging production lines had been completed, and the design of a 300MN multi-directional forging hydraulic press production line had been completed. However, due to the lack of implementation of relevant specifications for forged valves in China, the actual application scope of and market demand for multi-directional forging valve bodies cannot reach the expected level in the feasibility study, and the 300MN multi-directional forging hydraulic press production line was not feasible. After careful evaluation, the Company decided to terminate the project and complete the formalities for closure without further investment.

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13. The project in Caofeidian, Tangshan in relation to the production of 500,000 tons of cold bend steel and steel structures has realised a cumulative economic benefit of RMB25.7990 million, and won five gold awards in the field of steel structure and one ministerial-level work method in the metallurgical industry, which has increased the influence of the Company in the industry. It has obtained patents including a steel plate press head roll round method, a positioning and dotting method of numerical controlled flame cutting machine, a pickup-stacking device and pickup-stacking method of numerical controlled flame cutting machine, the production method of spiral twisted boxes, shell shop assembly processing production method, shaped shell single tile pressing tire and production method thereof, 30-50mm thick steel plate single wire submerged arc automatic welding process, the production method of tree-shaped multi-section space angle bending coherent member, numerical controlled flame plasma tire frame anti-cutting device and its usage. It has obtained such achievements as large-scale blast furnace wind mouth iron mouth factory manufacturing technology, wind power generation tower manufacturing technology, large-scale dual-use bridge steel structure hole-making precision control technology, steel bridge factory rapid processing and production technology, urban large-scale steel bridge box rapid construction technology, and bidirectional bending shell processing and production technology.
14. The large multi-ram die forgings and heavy equipment automation industrial base construction project has three product directions: heavy equipment production line, multi-directional die forging products, and high pressure manifolds and core component finished products, of which heavy equipment production line products cover (multi-directional) die forging hydraulic presses, plate moulding hydraulic presses, hub presses, titanium sponge presses, proprietary small and medium-sized press production lines and non-standard equipment; multi-directional die forging products cover aerospace forgings, rail transportation forgings, petrochemical valve forgings, construction machinery forgings, military weaponry forgings, etc.; high pressure manifolds and core component finished products cover a wide range of petroleum, chemical and other fields. The Company is a national high-tech enterprise, national intellectual property advantageous enterprise, Hebei "Specialised and New Small and Medium-sized Enterprise", small and medium-sized technology-based enterprise in Hebei, innovative small and medium-sized enterprise in Hebei, and Tangshan technological innovation demonstration enterprise. The Company owns the Hebei Provincial Enterprise Technology Centre, Industrial Enterprise R&D Institution in Hebei Province (Grade A) and Tangshan Industrial Design Centre. The Company has passed ISO9001, AS9100 quality management system certification, EU PED pressure equipment certification, TS valve qualification certification and intellectual property management system certification. Focusing on key core technologies for intellectual property strategy layout, the Company edited and released 3 national standards, 3 industry standards and 4 group standards, with 73 authorised patents, including 31 invention patents, 41 utility model patents, 1 design patent and 1 computer software work. The Company has won 1 science and technology progress award from CMGC, 1 science and technology award of machinery industry, 2 science and technology awards of metallurgy, 1 science and technology progress award of high and new technology enterprises association, 1 science and technology progress award of construction industry in Hebei Province, 1 science and technology award of construction industry in Hebei Province, and 3 high quality forgings awards of Confederation of Chinese Metalforming Industry.
15. As considered and approved at the annual general meeting for the year 2023 held on 25 June 2024, the remaining proceeds from the "large multi-ram die forgings and heavy equipment automation industrial base construction project" and the interest thereon amounting to RMB93 million will be used for permanent replenishment to working capital.

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2. Use of excess proceeds

Unit: RMB0'000

Usage	Nature	Total excess proceeds to be invested ⁽¹⁾	Accumulated investment amount out of excess proceeds as at the end of the Reporting Period ⁽²⁾	Process of accumulated investment as at the end of the Reporting Period ^{(3) = (2)/(1)} (%)	Notes
Replenishment of working capital and repayment of bank loans	Replenishment of working capital and repayment of loans	151,097.24	151,097.24	100%	-

(III) Changes in or Termination of Proceeds during the Reporting Period

Unit: RMB0'000

Name of the project before change	Time of change (time of first announcement disclosure)	Type of change	Total investment amounts out of project proceeds before change/termination	Total project proceeds invested before change/termination	Name of the project after the change	Reason for change/termination	Amount of proceeds used to supplement liquidity after change/termination	Explanation of decisionmaking procedures and information disclosure
Large multi-ram die forgings and heavy equipment automation industrial base construction project	15 December 2023	Reduction in the investment amount of proceeds	48,200.00	39,001.18	Permanent replenishment of liquidity	Due to the lack of implementation of relevant specifications for forged valves in China, the actual application scope of and market demand for multi-directional forging valve bodies cannot reach the expected level in the feasibility study, and the 300MN multi-directional forging hydraulic press production line was not feasible. After careful evaluation, the Company decided to terminate the project and complete the formalities for closure without further investment.	9,346.85	Has been considered and approved at the 54th meeting of the third session of the Board and the annual general meeting for the year 2023, details of which can be found in the relevant announcements disclosed by the Company on 15 December 2023, 3 June 2024 and 25 June 2024, respectively

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(IV) Other Circumstances of Use of Proceeds during the Reporting Period

1. *Initial investment and replacement of projects with proceeds*

☐ Applicable ☒ Not applicable

2. *Temporarily supplement working capital with idle proceeds*

In March 2024, the Proposal in Relation to Temporary Use of Idle Funds Raised from IPO of A Shares as Supplementary Working Capital, with a total amount of not more than RMB1,053.39 million and for a use period of not more than one year, was considered and approved at the 57th meeting of the third session of the Board of the Company; of which, RMB93.48 million was used to supplement working capital for the construction project of large-scale multi-directional die forgings and heavy equipment automation industrial base (hereinafter referred to as the "Large-scale Multi-directional Die Forgings Project") for a period of three months from the date of approval by the Board (Please refer to the relevant announcement disclosed by the Company on 29 March 2024 for details). Pursuant to the aforesaid resolution, the Company and its subsidiaries had used the idle A-Share raised funds in the aggregate amount of RMB1,053.39 million as replenishment to working capital; in particular, the Company utilised the idle proceeds from the Large-scale Multi-directional Die Forgings Project of RMB93,480,000 as replenishment to working capital, and the Company refunded the aforesaid idle proceeds of RMB93,480,000 to the special account for the Company's A-share proceeds as at 21 June 2024 for a period of use of not exceeding three months (please refer to the relevant announcement disclosed by the Company on 22 June 2024 for details). As at the end of the Reporting Period, the Company had utilised an aggregate of RMB959.91 million of idle A-share proceeds as replenishment to working capital. The aforementioned raised funds were fully returned to the Company's special account for A-share funds on 26 March 2025.

3. *Cash management against idle proceeds to invest in relevant products*

☐ Applicable ☒ Not applicable

XV. OTHER IMPORTANT MATTERS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGEMENT AND INVESTMENT DECISION

☐ Applicable ☒ Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Changes in shares

1. Changes in shares

During the Reporting Period, there were no changes in the total number of shares of the Company.

2. Explanation on the changes in shares

During the Reporting Period, CMGC transferred 9,171,859,770 A Shares in the Company (representing 44.258% of the total share capital of the Company) to China Minmetals by gratuitous transfer. In December 2024, the registration of the aforesaid gratuitous transfer was completed. Currently, China Minmetals directly holds 9,171,859,770 A Shares (representing 44.258% of the total share capital of the Company) in the Company and is the direct controlling shareholder of the Company, while CMGC directly holds 1,019,095,530 A Shares (representing 4.918% of the total share capital of the Company) in the Company. For details, please refer to the announcements disclosed by the Company on 26 August 2024, 13 December 2024 and 30 December 2024.

3. Impacts on financial indicators including earnings per share, net assets per share, etc. from changes in shares in the latest year and period (if any)

☐ Applicable ☒ Not applicable

4. Other information the disclosure of which is deemed necessary by the Company or is required by securities regulatory authorities

☐ Applicable ☒ Not applicable

(II) Changes in shares subject to selling restrictions

☐ Applicable ☒ Not applicable

II. ISSUANCE AND LISTING OF SECURITIES

(I) Issuance of securities for the Reporting Period

Unit: RMB0'000

Types of shares and their derivative securities	Issue date	Issue price (or interest rate)	Issue number	Listing date	Number of shares permitted to be listed for trading	Termination date of transaction
Bonds (including enterprise bonds, corporate bonds and non-financial corporate debt financing instruments)						
2024 First Tranche of medium-term notes	21 February 2024–22 February 2024	2.94%	100,000	26 February 2024	100,000	10
2024 Second Tranche of medium-term notes	23 February 2024 and 26 February 2024	2.92%	100,000	28 February 2024	100,000	10
2024 Third Tranche of medium-term notes	14 March 2024–15 March 2024	2.79%	200,000	19 March 2024	200,000	3+N(3)
2024 Fourth Tranche of medium-term notes	18 March 2024–19 March 2024	2.74%	200,000	21 March 2024	200,000	3+N(3)

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Types of shares and their derivative securities	Issue date	Issue price (or interest rate)	Issue number	Listing date	Number of shares permitted to be listed for trading	Termination date of transaction
2024 Fifth Tranche of medium-term notes (type 1)	24 July 2024–25 July 2024	2.25%	100,000	29 July 2024	100,000	5+N(5)
2024 Fifth Tranche of medium-term notes (type 2)	24 July 2024–25 July 2024	2.54%	100,000	29 July 2024	100,000	10+N(10)
2024 Sixth Tranche of medium-term notes	7 August 2024–8 August 2024	2.25%	200,000	12 August 2024	200,000	5+N(5)
2024 Seventh Tranche of medium-term notes	9 August 2024, 12 August 2024	2.75%	120,000	14 August 2024	120,000	10+N(10)
2024 Eighth Tranche of medium-term notes	21 August 2024–22 August 2024	2.40%	200,000	26 August 2024	200,000	5+N(5)
2024 Ninth Tranche of medium-term notes	22 August 2024–23 August 2024	2.28%	200,000	27 August 2024	200,000	3+N(3)
2024 Tenth Tranche of medium-term notes	23 August 2024, 26 August 2024	2.50%	200,000	28 August 2024	200,000	5+N(5)
2024 Eleventh Tranche of medium-term notes	26 August 2024–27 August 2024	2.38%	200,000	29 August 2024	200,000	3+N(3)
2024 Twelfth Tranche of medium-term notes	27 August 2024–28 August 2024	2.31%	120,000	30 August 2024	120,000	3+N(3)

Explanations on the securities issuance during the Reporting Period (please explain the bonds with different interest rates during the lifetime separately):

☐ Applicable ☒ Not applicable

(II) Changes in the total number of shares and Shareholder structures of the Company and changes in the asset and liability structures of the Company

During the Reporting Period, there was no change in the total number of shares and shareholder structure of the Company as a result of the issuance and listing of securities.

In December 2024, 9,171,859,770 A Shares of the Company held by CMGC (accounting for 44.258% of the total share capital of the Company) were transferred to China Minmetals by gratuitous transfer. Upon completion of the transfer, China Minmetals directly holds 44.258% of the shares of the Company and has become a directly controlling shareholder of the Company, while CMGC directly holds 4.918% of the shares of the Company. For details of the specific shareholding structure, please refer to the "Shareholdings of the Top Ten Shareholders and Top Ten Holders of Tradable Shares (or holders of shares not subject to selling restrictions) as at the end of the Reporting Period" in this section.

(III) Existing internal employee shares

☐ Applicable ☒ Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

III. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER

(I) Total number of Shareholders

Total number of ordinary Shareholders as at the end of the Reporting Period (<i>Person</i>)	325,400
Total number of holders of ordinary shares as at the end of the last month prior to the disclosure of annual report (<i>Person</i>)	318,879
Total number of Shareholders of preferred shares whose voting rights have been restored as at the end of the Reporting Period (<i>Person</i>)	0
Total number of holders of preference shares with voting rights restored as at the end of the last month prior to the disclosure of annual report (<i>Person</i>)	0

(II) Shareholdings of the top ten Shareholders and top ten holders of Tradable Shares (or holders of shares not subject to selling restrictions) as at the end of the Reporting Period⁽¹⁾

Unit: share

Shareholding of the top ten Shareholders (excluding shares lent under the margin refinancing transfer)							
Name of Shareholder (Full name)	Change during the Reporting Period	Shares held at the end of the Reporting Period	Percentage (%)	Shares subject to selling restrictions	Pledged, marked or frozen		Nature of Shareholder
					Status of Shares	Amount	
China Minmetals Corporation	9,171,859,770	9,171,859,770	44.26	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ⁽²⁾	4,712,450	2,847,019,401	13.72	0	Nil	0	Others
China National Petroleum Corporation	0	1,227,760,000	5.92	0	Nil	0	State-owned legal person
China Metallurgical Group Corporation	-9,171,859,770	1,019,095,530	4.92	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	0	589,038,427	2.84	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	-225,123,356	316,683,350	1.53	0	Nil	0	Others
Industrial and Commercial Bank of China Limited – HuataiPineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	70,025,413	123,214,393	0.59	0	Nil	0	Others
China Construction Bank Corporation – E FUND CSI 300 Trading Open Index Sponsored Securities Investment Fund	65,173,403	85,054,342	0.41	0	Nil	0	Others
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Name of Shareholder (Full name)	Shareholding of the top ten Shareholders (excluding shares lent under the margin refinancing transfer)						
	Change during the Reporting Period	Shares held at the end of the Reporting Period	Percentage (%)	Shares subject to selling restrictions	Pledged, marked or frozen		Nature of Shareholder
					Status of Shares	Amount	
EFund – Agricultural Bank – EFund China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
Da Cheng Fund – Agricultural Bank – DaCheng China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
China AMC Fund – Agricultural Bank – China AMC China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Shareholding of the top ten Shareholders not subject to selling restrictions (excluding shares lent under the margin refinancing transfer)			
Name of Shareholder	Number of tradable Shares held not subject to selling restrictions	Types and number of Shares	
		Types	Number
China Minmetals Corporation	9,171,859,770	RMB-denominated ordinary shares	9,171,859,770
HKSCC Nominees Limited ⁽²⁾	2,847,019,401	Overseas-listed foreign shares	2,847,019,401
China National Petroleum Corporation	1,227,760,000	RMB-denominated ordinary shares	1,227,760,000
China Metallurgical Group Corporation	1,019,095,530	RMB-denominated ordinary shares	1,019,095,530
China Securities Finance Corporation Limited	589,038,427	RMB-denominated ordinary shares	589,038,427
Hong Kong Securities Clearing Company Limited	316,683,350	RMB-denominated ordinary shares	316,683,350
Industrial and Commercial Bank of China Limited – HuataiPineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	123,214,393	RMB-denominated ordinary shares	123,214,393
China Construction Bank Corporation – E FUND CSI 300 Trading Open Index Sponsored Securities Investment Fund	85,054,342	RMB-denominated ordinary shares	85,054,342
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
EFund – Agricultural Bank – EFund China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
Da Cheng Fund – Agricultural Bank – DaCheng China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
China AMC Fund – Agricultural Bank – China AMC China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Shareholding of the top ten Shareholders not subject to selling restrictions (excluding shares lent under the margin refinancing transfer)

Name of Shareholder	Number of tradable Shares held not subject to selling restrictions	Types and number of Shares	
		Types	Number
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
Explanations on the special account for repurchase of the top ten Shareholders			Not applicable
Explanations on the aforesaid Shareholders' entrusting of voting rights, entrusted voting rights, and waiver of voting rights			Not applicable
Explanations on the connections or parties acting in concert among the aforesaid Shareholders		Among the above Shareholders, China Minmetals Corporation and China Metallurgical Group Corporation are parties acting in concert. Apart from the above, the Company is not aware of any relationship or parties acting in concert among the other Shareholders.	
Explanations on the Shareholders of preferred shares whose voting rights have been restored and the number of Shares held			Not applicable

Note (1): Figures in the table were extracted from the Company's register of Shareholders as at 31 December 2024.

Note (2): The H Shares held by HKSCC Nominees Limited are those held on behalf of their multiple equity owners.

Participation of the Shareholders holding 5% or above shares, top ten Shareholders and top ten Shareholders with tradable shares not subject to selling restrictions in lending shares in the margin refinancing business

Unit: share

Participation of the Shareholders holding 5% or above shares, top ten Shareholders and top ten Shareholders with tradable shares not subject to selling restrictions in lending shares in the margin refinancing business

Name of Shareholder (Full Name)	Shareholding in general account, credit account at the beginning of the period		Lending shares outstanding in the margin refinancing at the beginning of the period		Shareholding in general account, credit account at the end of the period		Lending shares outstanding in the margin refinancing at the end of the period	
	Total volume	Proportion (%)	Total volume	Proportion (%)	Total volume	Proportion (%)	Total volume	Proportion (%)
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	53,188,980	0.26	159,500	0	123,214,393	0.59	0	0
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-End Index Seed Securities Investment Fund	19,880,939	0.10	129,200	0	85,054,342	0.41	0	0

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Changes in the top ten Shareholders and top ten Shareholders with tradable shares not subject to selling restrictions due to the lending/returning of shares in the margin refinancing

☐ Applicable ☒ Not applicable

Number of Shares held by top ten Shareholders subject to selling restrictions and information on the selling restrictions

☐ Applicable ☒ Not applicable

(III) Strategic investors or general legal persons becoming the top ten Shareholders by placing of new shares

☐ Applicable ☒ Not applicable

IV. PARTICULARS OF CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLERS

(I) Controlling Shareholder

1. Legal person

Name	China Minmetals Corporation
Legal representative	Chen Dexin
Date of incorporation	9 December 1982
Principal business operations	Investment and sales of ferrous metals, non-ferrous metals, mineral products and non-metallic mineral products; development and investment management of new energy; investment management in the fields of finance, securities, trusts, leasing, insurance, funds, and futures; investment and asset management; various kinds of engineering and technology consulting services and leasing of engineering equipment; technological development, technical services, technical exchange and transfer of technology of new materials, new techniques, and new products related to engineering and construction; development and sales of equipment required for the metallurgical industry; undertaking various types of international industrial and civilian construction, engineering consulting, surveying, design and leasing of equipment; sales of mechanical and electrical products, cars, building materials, instrument and apparatus, hardware and electric materials, and mechanical equipment; technology research, planning, surveying, design, and supervision services for construction and installation projects of mechanical and electrical equipment; development and operation of real estate; property management; import and export business; bidding, tendering, and bidding agent; organising exhibitions and displays; designing, producing, and acting as an agent for domestic and international advertisements; economic trade consulting; technical services and technical exchanges; leasing of owned properties. (The market entity shall independently select operational projects and carry out operational activities in accordance with laws; for projects subject to approval according to laws, operational activities shall be carried out according to the approved contents upon approval by related authorities; and the market entity shall not engage in operational activities of projects prohibited or restricted by national and municipal industrial policies.)
Equity interests in other domestic and overseas listed companies controlled and held by the Company during the Reporting Period	As of the Reporting period, details of interests held by China Minmetals in domestic and overseas listed companies with shareholdings of 5% or more are set out in the table below.
Other explanations	Nil.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

No.	Name	Name
1	MMG Limited (MMG, 1208. HK)	China Minmetals H. K. (Holdings) Limited, a controlling shareholder, had a shareholding of 67.49%.
2	Qinghai Salt Lake Industry Co., Ltd. (Salt Lake Stock, 000792. SZ)	China Minmetals Corporation holds 3.41% of the shares (as of the disclosure date of the annual report, Qinghai Salt Lake Industry Co., Ltd.'s controlling shareholder China Salt Lake Industry Group Co., Ltd. and its persons acting in concert hold a total of 21.89% of the shares, and the actual controller is China Minmetals Corporation. Among these, China Salt Lake Industry Group Co., Ltd. holds 12.87%, Qinghai Huixin Asset Management Co., Ltd. (青海匯信資產管理有限責任公司) holds 1.34%, and ICBC Financial Asset Investment Co., Ltd. (工銀金融資產投資有限公司持股), acting in concert, holds 7.68%, while China Minmetals Corporation directly holds 3.41%. China Minmetals Corporation directly and indirectly controls a total of 25.30% of the voting rights of Qinghai Salt Lake).
3	Zhuzhou Smelter Group Co., Ltd. (ZhuYe Group, 600961. SZ)	Controlling shareholder, Hunan Shuikoushan Nonferrous Metals Group Co., Ltd., had a shareholding of 51.05% (of which 29.93% is held through Hunan Shuikoushan Nonferrous Metals Group Co., Ltd., 19.78% is held through Zhuzhou Smelting Group Co., Ltd., and 1.34% is held through Hunan Nonferrous Metals Co., Ltd.).
4	China Tungsten and Hightech Materials Co., Ltd. (China Tungsten and Hightech, 000657. SZ)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 49.92% (as of the disclosure date of the annual report, shareholding percentage 65.58%, of which 33.37% is held through China Minmetals Corporation Limited and 32.21% is held through Minmetals Tungsten Group Company Limited).
5	Minmetals Development Co., Ltd. (Minmetals Development, 600058. SH)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 62.56%.
6	Minmetals New Energy Materials (Hunan) Co., Ltd. (Minmetals New Energy, 688779. SH)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 43.65% (of which 17.16% are held through China Minmetals Corporation Limited, 17.16% through Changsha Research Institute of Mining and Metallurgy Co., Ltd. (長沙礦冶研究院有限責任公司), 8.58% through Ningbo Chuangyuan Jianhe Investment Management Co., Ltd. (寧波創元建合投資管理有限責任公司), and 0.75% through Minmetals Jinding Investment Co., Ltd. (五礦金鼎投資有限責任公司)).
7	Minmetals Capital Co., Ltd. (Minmetals Capital, 600390. SH)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 50.42% (of which 47.07% are held through China Minmetals Corporation Limited, 3.35% through Changsha Research Institute of Mining and Metallurgy Co., Ltd. (長沙礦冶研究院有限責任公司)).
8	Minmetals Land Limited (Minmetals Land, 0230. HK)	Controlling shareholder, June Glory International Limited, had a shareholding of 61.88%.
9	Xiamen Tungsten Co., Ltd. (Xiamen Tungsten, 600549. SH)	The shareholder, China Minmetals Non-Ferrous Metals Company Limited, holds a 7.68% stake in the Company.
10	Huludao Zinc Industry Co., Ltd. (Zinc Industry, 000751. SZ)	China Metallurgical Group Corporation holds a 27% stake in MCC Huludao Nonferrous Metals Group Co., Ltd., which in turn holds a 20.59% stake in Huludao Zinc Industry Co., Ltd.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

2. *Natural person*

☐ Applicable ☒ Not applicable

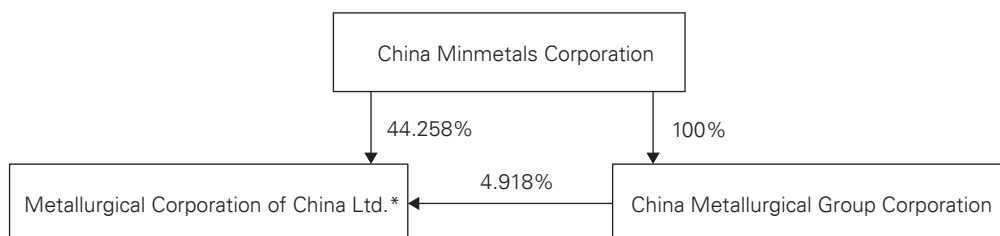
3. *Special explanation on the Company not having any controlling shareholder*

☐ Applicable ☒ Not applicable

4. *Explanations on changes in Controlling Shareholder during the Reporting Period*

During the Reporting Period, CMGC transferred 9,171,859,770 A shares in the Company (representing 44.258% of the Company's total share capital) to China Minmetals without consideration. In December 2024, the registration of the aforesaid transfer without consideration was completed. Currently, China Minmetals Corporation directly holds 9,171,859,770 A shares in the Company (representing 44.258% of the Company's total share capital) and is the direct controlling shareholder of the Company, while CMGC directly holds 1,019,095,530 A shares in the Company (representing 4.918% of the Company's total share capital).

5. *A diagram showing the equity and relationship between the Company and the Controlling Shareholder*



(II) **De facto controller**

1. *Legal person*

☐ Applicable ☒ Not applicable

The de facto controller of the Company is the SASAC.

2. *Natural person*

☐ Applicable ☒ Not applicable

3. *Special explanation on the Company not having any de facto controller*

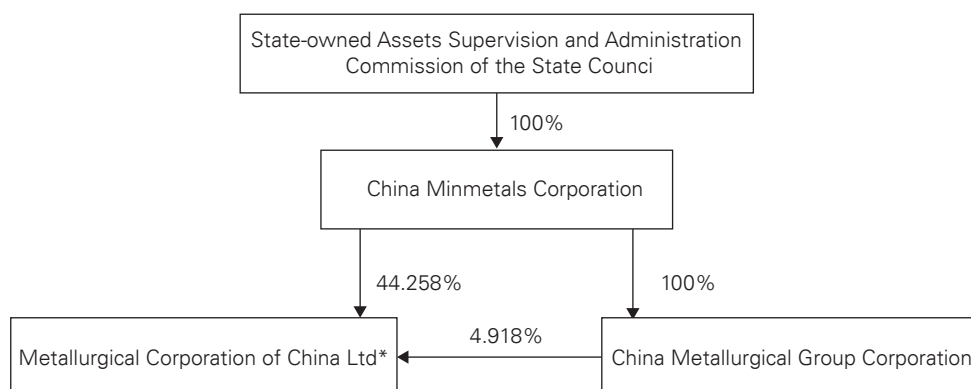
☐ Applicable ☒ Not applicable

4. *Explanations on changes of control rights of the Company during the Reporting Period*

☐ Applicable ☒ Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

5. *A diagram showing the equity and relationship between the Company and the de facto controller*



6. *Control of the Company by de facto controller by way of trust or other means of asset management*

☐ Applicable ☒ Not applicable

- (III) **Other explanation regarding the controlling shareholder and the de facto controller**

☐ Applicable ☒ Not applicable

V. THE CUMULATIVE NUMBER OF SHARES PLEDGED BY THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER OF THE COMPANY AND THE PERSONS ACTING IN CONCERT ACCOUNTS FOR MORE THAN 80% OF SHARES OF THE COMPANY HELD BY THEM

☐ Applicable ☒ Not applicable

VI. OTHER CORPORATE SHAREHOLDERS HOLDING MORE THAN 10% OF THE COMPANY'S SHARES

☐ Applicable ☒ Not applicable

VII. RESTRICTION ON REDUCTION IN SHAREHOLDING

☐ Applicable ☒ Not applicable

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

IX. DISCLOSURE OF INTERESTS

(I) Directors', Supervisors' and chief executive's interests and short positions in the Shares, underlying share(s) and debentures of the Company and its associated corporations

As at 31 December 2024, as far as the Company is aware, interests or short positions of the Directors, Supervisors and the chief executive of the Company or their associates in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Hong Kong Stock Exchange by the Directors and Supervisors pursuant to the Model Code or the rights granted for the purchase of shares or debentures of the Company or any of its associated corporations are as follows:

Unit: share

Name	Position	Class of shares	Long/short position	Capacity	Number of shares	Percentage of the relevant class of shares in issue (%)	Percentage of the total number of shares in issue (%)
Yin Sisong	Chairman of Supervisory Committee	A Shares	Long position	Beneficial owner	28,100	0	0

Save as disclosed above, as at 31 December 2024, as far as the Company is aware, none of the Directors, Supervisors or the chief executive of the Company or their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise required to be notified to the Company and the Hong Kong Stock Exchange by the Directors and Supervisors pursuant to the Model Code.

(II) Other senior management's interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2024, as far as the Company is aware, none of other senior management of the Company or their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise required to be notified to the Company and the Hong Kong Stock Exchange by the Directors and Supervisors pursuant to the Model Code.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

(III) Interests and short positions of substantial Shareholders and other persons in the shares and underlying shares of the Company

As at 31 December 2024, the Company was informed that the following persons had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Holders of A Shares

Unit: share

Name of substantial Shareholder	Capacity	Number of A Shares	Nature of interest	Approximate percentage of the total issued A Shares (%)	Approximate percentage of the total issued shares (%)
China Minmetals Corporation	Beneficial owner	9,171,859,770	Long position	51.38	44.26
China National Petroleum Corporation	Beneficial owner	1,227,760,000	Long position	6.88	5.92
China Metallurgical Group Corporation	Beneficial owner	1,019,095,530	Long position	5.71	4.92

Save as disclosed above, as far as the Directors, Supervisors and chief executives of the Company are aware, as at 31 December 2024, in accordance with the register required to be kept under Section 336 of the SFO, no other person or corporation has an interest or short position in the Company's share capital that would require disclosure to the Company under Divisions 2 and 3 of Part XV of the SFO.

X. MINIMUM PUBLIC FLOAT

During the Reporting Period and as at the latest practicable date prior to the publication of this report (i.e. 28 March 2025), the Company has maintained sufficient public float, based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company.

XI. PRE-EMPTIVE RIGHTS AND SHARE OPTION ARRANGEMENTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the PRC, which would oblige the Company to issue new shares to its existing Shareholders in proportion to their current equity ratio. Subject to the Hong Kong Listing Rules and pursuant to the Articles of Association, the Company may increase its registered capital by issuing shares through public or non-public offering, issuing bonus shares to the existing Shareholders, converting capital reserve to share capital or using other methods as required by applicable laws and administrative regulations or approved by relevant authorities.

Meanwhile, the Company does not have any share option arrangements.

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

(I) Corporate bonds (including enterprise bonds)

☐ Applicable ☒ Not applicable

(II) Proceeds from corporate bonds

☐ The Company's bonds were involved in the use of proceeds or rectification during the Reporting Period ☒ None of the Company's corporate bonds involved the use of proceeds or rectification during the Reporting Period

(III) Other matters to be disclosed in respect of special variety bonds

☐ Applicable ☒ Not applicable

(IV) Significant matters relating to corporate bonds during the Reporting Period

☐ Applicable ☒ Not applicable

(V) Non-financial corporate debt financing instruments in interbank bond market

1. Basic information of non-financial corporate debt financing instruments

Unit: RMB100 million

Name of bonds	Short name	Stock code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2022 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	22 MCC MTN001	102282664	7 December 2022 to 8 December 2022	9 December 2022	Exercise Date of Options redeemed by the issuer, with the first exercise date on 9 December 2025	20	4.18	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2022 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	22 MCC MTN002	102282722	14 December 2022 to 15 December 2022	16 December 2022	Exercise Date of Options redeemed by the issuer, with the first exercise date on 16 December 2025	20	4.23	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2022 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	22 MCC MTN003	102282771	21 December 2022 to 22 December 2022	23 December 2022	Exercise Date of Options redeemed by the issuer, with the first exercise date on 23 December 2025	13	4.12	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No

BONDS

Name of bonds	Short name	Stock code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2023 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN010	102382163	18 August 2023, 21 August 2023	22 August 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 22 August 2026	20	3.05	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2023 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN011	102382240	23 August 2023 to 24 August 2023	25 August 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 25 August 2026	14	3.04	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2023 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN012	102382348	31 August 2023 to 1 September 2023	4 September 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 4 September 2026	10	3.1	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2023 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN013	102382364	1 September 2023, 4 September 2023	5 September 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 5 September 2026	10	3.22	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN001	102480524	21 February 2024 to 22 February 2024	23 February 2024	23 February 2034	10	2.94	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN002	102480538	23 February 2024, 26 February 2024	27 February 2024	27 February 2034	10	2.92	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN003	102480930	14 March 2024 to 15 March 2024	18 March 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 18 March 2027	20	2.79	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN004	102480974	18 March 2024 to 19 March 2024	20 March 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 20 March 2027	20	2.74	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

BONDS

Name of bonds	Short name	Stock code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN005A	102483199	24 July 2024 to 25 July 2024	26 July 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 July 2029	10	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN005B	102483200	24 July 2024 to 25 July 2024	26 July 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 July 2034	10	2.54	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN006	102483403	7 August 2024 to 8 August 2024	9 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 9 August 2029	20	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN007	102483477	9 August 2024, 12 August 2024	13 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 13 August 2034	12	2.75	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN008	102483673	21 August 2024 to 22 August 2024	23 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 23 August 2029	20	2.40	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN009	102483722	22 August 2024 to 23 August 2024	26 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 August 2027	20	2.28	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN010	102483782	23 August 2024, 26 August 2024	27 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 27 August 2029	20	2.50	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

BONDS

Name of bonds	Short name	Stock code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2024 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN011	102483789	26 August 2024 to 27 August 2024	28 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 28 August 2027	20	2.38	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2024 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN012	102483835	27 August 2024 to 28 August 2024	29 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 29 August 2027	12	2.31	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN001	102580928	3 March 2025 to 4 March 2025	5 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 5 March 2028	20	2.30	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN002	102581292	20 March 2025 to 21 March 2025	24 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 24 March 2028	20	2.31	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN003	102581059	12 March 2025 to 13 March 2025	14 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 14 March 2028	20	2.37	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN004	102581350	24 March 2025 to 25 March 2025	26 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 March 2028	20	2.27	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN005	102581435	27 March 2025	28 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 28 March 2028	20	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No

The Company's response measures to the risk of termination of listing and trading of the bonds

☐ Applicable ☒ Not applicable

Overdue bonds

☐ Applicable ☒ Not applicable

BONDS

Bond interest payment during the Reporting Period

Name of bonds	Explanations on bond interest payment
2021 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2021 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2021 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2021 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2022 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2022 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2022 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2023 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2023 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2023 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2023 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment

2. *Trigger and implementation of option clauses of the Company or investor and investor protection clauses*

As at the date of approval of the annual report, the issuer's redemption option and interest deferred payment option have not been created on the medium-term notes issued by the Company; the medium-term notes issued by the Company had not triggered the investor protection clauses.

BONDS

3. The intermediaries providing services for bond issuance and effective period business

Name of the intermediaries	Office address	Contact persons	Contact No.
Bank of Shanghai Co., Ltd.	No. 688 Zhongshan South Road, Huangpu District, Shanghai	Wu Wenting	021-31915817
China CITIC Bank Co., Ltd.	Building No. 1, 10 Guanghai Road, Chaoyang District, Beijing	Mi Zeyi	010-66635901
Postal Savings Bank of China Co., Ltd.	Jinding Building, No. 3, Financial Street, Xicheng District, Beijing	Wen Shihao, Zhang Jialu	010-68858049
China Chengxin International Credit Rating Co., Ltd.	Galaxy SOHO 5, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing, PRC	Liu Guannan, Ma Han	010-66428877
Bank of China Limited	No. 1 Fuxingmen Inner Street, Beijing	Xun Yamei	010-66592749
Bank of Communications Co., Ltd.	No. 188 Yinchengzhong Road, China (Shanghai) Pilot Free Trade Zone	Yang Danlei	021-38873285
China Merchants Bank Co., Ltd.	Tower A, China Merchants International Finance Center, No. 156 Fuxingmennei Avenue, Xicheng District, Beijing	Wang Yuying	010-56438567

Changes in the aforesaid intermediaries

☐ Applicable ☒ Not applicable

4. Use of proceeds at the end of the Reporting Period

Unit: RMB'00 million

Name of bonds	Total amount of proceeds	Amount used	Amount unused	Operation of special account for proceeds (if any)	Rectification of unauthorised use of proceeds (if any)	Is it in line with the intended use, plan of use and other purposes as stipulated in the prospectuses
2022 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2022 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2022 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	13	13	-	-	-	Yes
2023 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes

BONDS

Name of bonds	Total amount of proceeds	Amount used	Amount unused	Operation of special account for proceeds (if any)	Rectification of unauthorised use of proceeds (if any)	Is it in line with the intended use, plan of use and other purposes as stipulated in the prospectuses
2023 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	14	14	-	-	-	Yes
2023 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	10	10	-	-	-	Yes
2023 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	10	10	-	-	-	Yes
2024 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	10	10	-	-	-	Yes
2024 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	10	10	-	-	-	Yes
2024 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd. (Type I)	10	10	-	-	-	Yes
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd. (Type II)	10	10	-	-	-	Yes
2024 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	12	12	-	-	-	Yes
2024 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	12	12	-	-	-	Yes

Progress and operational efficiency of the construction projects in which the proceeds are used

☐ Applicable ☒ Not applicable

Explanations on changes in the use of aforesaid proceeds during the Reporting Period

☐ Applicable ☒ Not applicable

Other explanations:

☐ Applicable ☒ Not applicable

BONDS

5. Adjustment of credit rating results

☐ Applicable ☒ Not applicable

Other explanations:

☐ Applicable ☒ Not applicable

6. Implementation, change and impact of guarantee, debt repayment plan and other debt repayment guarantee measures during the Reporting Period

Current status	Implementation	Whether there is a change	Situation before the change	Reasons for the change	Whether the change has been approved by the decision making authority	Effect of changes on the interests of bond investors
As at the date of approval of the annual report, no credit enhancement mechanism has been set up in the medium-term notes issued by the Company, and no changes have been made to the debt repayment plans and other debt repayment protective measures	The debt repayment plans and other debt repayment protective measures are in line with the terms of the Prospectus and the relevant undertakings	No	-	-	No	-

7. Other explanations on non-financial corporate debt financing instruments

The medium-term notes issued by Metallurgical Corporation of China Ltd. are all targeted at institutional investors in national interbank bond market through public issuance.

(VI) The Company's loss within the scope of consolidated statements during the Reporting Period exceeded 10% of the net assets at the end of the previous year

☐ Applicable ☒ Not applicable

BONDS

(VII) Overdue interest-bearing debts other than bonds at the end of the Reporting Period

☐ Applicable ☒ Not applicable

(VIII) Violations of laws and regulations, Articles of Association and provisions of information disclosure management system during the Reporting Period, and the impacts of agreements or commitments in the prospectuses for bond offering on the rights and interests of bond investors

☐ Applicable ☒ Not applicable

(IX) Accounting data and financial indicators of the Company for the latest two years as at the end of the Reporting Period

Unit: RMB'000

Major indicators	2024	2023	Increase/decrease as compared to the same period of last year (%)
Net profits after deducting non-recurring profit and loss attributable to shareholders of the Company	5,103,056	7,553,793	-32.44
Current Ratio	1.05	1.08	Decreased by 0.03 percentage point
Quick Ratio	0.64	0.63	Increased by 0.01 percentage point
Asset-liability Ratio (%)	77.43	74.61	Increased by 2.82 percentage points
EBITDA/Total Liabilities	0.03	0.04	Decreased by 0.01 percentage point
Interest Protection Multiples	2.83	4.44	Decreased by 1.61 percentage points
Cash Dividend Protection Multiples	2.19	2.23	Decreased by 0.04 percentage point
EBITDA Interest Coverage Ratio	3.85	5.54	Decreased by 1.69 percentage points
Loan Repayment Ratio (%)	100.00	100.00	—
Interest Payment Ratio (%)	100.00	100.00	—

II. CONVERTIBLE CORPORATE BONDS

☐ Applicable ☒ Not applicable

FINANCIAL STATEMENTS

For the year ended 31 December 2024

I. AUDITOR'S REPORT

Ernst & Young Hua Ming (2025) Shen Zi No. 70062026_A01
Metallurgical Corporation of China Ltd.

☐ Applicable ☒ Not applicable

TO THE SHAREHOLDERS OF METALLURGICAL CORPORATION OF CHINA LTD.:

(I) Opinion

We have audited the financial statements of Metallurgical Corporation of China Ltd. (hereinafter the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2024, and the consolidated and company income statements, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2024, and their financial performance and cash flows for the year ended in accordance with the requirements of Accounting Standards for Business Enterprises ("ASBEs").

(II) Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with China Code of Ethics for Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(III) Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

I. AUDITOR'S REPORT (CONTINUED)

(III) Key audit matters (Continued)

Key audit matter

Revenue recognition from construction contracts

The revenue of the Company is mainly derived from construction contracts and recognised based on the performance progress over the period of the contract. Determined by input method, the performance progress is measured by reference to the percentage of actual contract costs incurred to the total budgeted costs.

Management makes estimates on the revenue and budgeted costs at the inception of each contract. Management shall continuously review and revise financial impacts arising from the changes in the estimated total revenue and budgeted costs based on factors such as scope changes and cost to completion throughout the contract period, which involves management's use of significant estimates and judgements.

The accounting policies and disclosures are included in notes V. 24 and V. 28 and note VII. 53 to the financial statements.

How our audit addressed the key audit matter

We evaluated and tested the relevant controls over revenue recognition from construction contracts, including the key internal control of preparation of revenue and budgeted costs and the determination of performance progress.

We obtained the list of construction contracts and selected significant contracts to perform the following procedures:

- Reviewed the key terms of the construction contracts and the revenue and budgeted costs prepared by the management;
- Tested the accuracy of actual costs incurred during the year by reviewing supporting documents and verifying whether the actual costs were recorded in the appropriate accounting period;
- Recalculated performance progress based on contract costs of incurred and total projected costs of contracts and revenue recognised for the current period based on projected total revenue and performance progress;
- Visiting selected samples of sites of construction projects to observe the progress, discussing with the site project management, comparing the performance progress with ledger record, and evaluating the reasonableness of the performance progress of the construction projects.
- Performed analytical procedure based on gross margins.

We evaluated the adequacy of disclosure of revenue recognition from construction contracts.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

I. AUDITOR'S REPORT (CONTINUED)

(III) Key audit matters (Continued)

Key audit matter

How our audit addressed the key audit matter

Impairment allowance of accounts receivable and contract assets

The impairment allowance of accounts receivable, contract assets was recognised based on expected credit losses (ECLs). The management determines the ECLs based on information analysis of past records of settlement of contract assets and collection of accounts receivable, the counter parties' credit ratings and forecasts of future economic conditions etc., which involves significant management's judgements and estimates.

The accounting policies and disclosures are included in notes V. 11 and V. 28 and note VII. 5, VII. 10 to the financial statements.

We evaluated and tested the relevant controls over the impairment allowance test of accounts receivable and contract assets.

For accounts receivable and contract assets which the management assesses the ECLs individually, we assessed the historical settlement of the contract assets, the historical payment of accounts receivable and the customers' payment ability on a sample basis. Taking into consideration the project progress and forecasted future economic situation, we evaluated the rationality and sufficiency of the management's provision of ECLs.

For accounts receivable and contract assets which the management assesses the ECLs collectively by reference to the credit risk characteristics, we obtained the ECL provision matrix from the management, and evaluated the appropriateness of the inputs that management used, such as historical loss ratio and forward-looking adjustments, and then recalculated the expected loss. We tested the accuracy of ageing on a sample basis over the billing and collection cycle.

We evaluated the adequacy of disclosure of impairment of accounts receivable and contract assets.

(IV) Other information

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

I. AUDITOR'S REPORT (CONTINUED)

(V) Responsibilities of the management and those charged with governance for the financial statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(VI) Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

I. AUDITOR'S REPORT (CONTINUED)

(VI) Auditor's responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Continued)

- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide statements to the governance regarding compliance with ethical requirements relating to independence, communicating with them all relationships and other matters that may reasonably be considered to affect the independence, as well as the relevant precautions (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young Hua Ming LLP

Beijing, China

Chinese Certified Public Accountant:

Zhang Ningning
(Engagement Partner)

Chinese Certified Public Accountant:

Zhang Ying
(Engagement Partner)

28 March 2025

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	31 December 2024	31 December 2023
Current Assets:			
Cash and bank balances	VII1	52,558,851	44,440,269
Financial assets held for trading	VII2	2,770	1,951
Derivative financial assets	VII3	–	12,676
Bills receivable	VII4	4,846,051	5,583,704
Accounts receivable	VII5	213,513,725	130,037,264
Receivables at FVTOCI	VII6	8,597,053	11,131,328
Prepayments	VII7	22,793,334	33,120,920
Other receivables	VII8	42,197,057	40,436,304
Inventories	VII9	75,593,134	80,075,514
Contract assets	VII10	156,291,569	121,833,709
Non-current assets due within one year	VII11	11,716,139	7,087,526
Other current assets	VII12	11,657,487	10,372,786
Total Current Assets		599,767,170	484,133,951
Non-current Assets:			
Long-term receivables	VII13	54,419,815	50,825,135
Long-term equity investments	VII14	38,078,760	36,236,395
Investments in other equity instruments	VII15	1,698,287	1,126,144
Other non-current financial assets	VII16	4,875,569	3,992,595
Investment properties	VII17	8,320,768	8,020,390
Fixed assets	VII18	27,423,332	27,725,928
Construction in progress	VII19	5,493,997	3,830,579
Right-of-use assets	VII20	567,911	767,798
Intangible assets	VII21	33,639,591	22,849,854
Goodwill	VII22	53,923	50,075
Long-term prepayments	VII23	361,491	351,699
Deferred tax assets	VII24	8,936,039	6,949,230
Other non-current assets	VII25	24,379,102	14,742,463
Total Non-current Assets		208,248,585	177,468,285
TOTAL ASSETS		808,015,755	661,602,236

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	31 December 2024	31 December 2023
Current Liabilities:			
Short-term borrowings	VII27	33,853,836	28,220,281
Derivative financial liabilities	VII28	755,963	453,950
Bills payable	VII29	30,147,409	31,717,090
Accounts payable	VII30	335,085,043	240,394,139
Receipts in advance	VII31	99,579	104,034
Contract liabilities	VII32	61,190,649	64,819,382
Employee benefits payable	VII33	3,090,045	2,624,077
Taxes payable	VII34	4,972,005	5,308,635
Other payables	VII35	55,797,734	40,269,691
Non-current liabilities due within one year	VII36	15,163,328	8,044,599
Other current liabilities	VII37	33,474,309	26,862,565
Total Current Liabilities		573,629,900	448,818,443
Non-current Liabilities:			
Long-term borrowings	VII38	40,311,531	34,168,791
Bonds payable	VII39	4,000,000	3,300,000
Lease liabilities	VII40	422,701	501,345
Long-term payables	VII41	1,341,885	736,736
Long-term employee benefits payable	VII42	3,440,348	3,397,953
Provisions	VII43	1,003,947	1,077,238
Deferred income	VII44	1,019,027	1,058,582
Deferred tax liabilities	VII24	147,012	171,983
Other non-current Liabilities	VII45	363,538	380,000
Total Non-current Liabilities		52,049,989	44,792,628
TOTAL LIABILITIES		625,679,889	493,611,071

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	31 December 2024	31 December 2023
Shareholders' Equity:			
Share capital	VII46	20,723,619	20,723,619
Other equity instruments	VII47	50,600,000	47,400,000
Including: Perpetual bonds		50,600,000	47,400,000
Capital reserve	VII48	23,460,671	22,582,222
Other comprehensive income	VII49	751,118	1,111,475
Special reserve	VII50	1,024,967	411,766
Surplus reserve	VII51	3,782,468	3,391,294
Retained earnings	VII52	52,700,255	49,859,806
Total shareholders' equity attributable to shareholders of the Company		153,043,098	145,480,182
Non-controlling interests		29,292,768	22,510,983
TOTAL SHAREHOLDERS' EQUITY		182,335,866	167,991,165
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		808,015,755	661,602,236

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S BALANCE SHEET

31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	31 December 2024	31 December 2023
Current Assets:			
Cash and bank balances		8,377,885	993,899
Derivative financial assets		—	12,676
Accounts receivable	XVII 1	538,857	524,199
Prepayments		209,509	236,918
Other receivables	XVII 2	72,337,152	72,266,469
Inventories		966	873
Contract assets		1,223,251	1,029,318
Non-current assets due within one year		10	2,041
Other current assets		135	281
Total Current Assets		82,687,765	75,066,674
Non-current Assets:			
Long-term receivables	XVII 3	268,568	251,531
Long-term equity investments	XVII 4	99,420,115	95,704,384
Investments in other equity instrument		880	757
Fixed assets		20,699	18,742
Construction in progress		29,208	—
Right-of-use assets		156	20,787
Intangible assets		8,603	9,398
Other non-current assets		687,107	612,532
Total Non-current Assets		100,435,336	96,618,131
TOTAL ASSETS		183,123,101	171,684,805

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S BALANCE SHEET (CONTINUED)

31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	31 December 2024	31 December 2023
Current Liabilities:			
Short-term borrowings	XVII 5	11,618,993	9,729,089
Derivative financial liabilities		752,975	435,537
Accounts payable		2,048,511	2,119,305
Contract liabilities		707,064	549,679
Employee benefits payable		19,402	17,098
Taxes payable		49,379	45,298
Other payables	XVII 6	46,072,350	42,863,636
Non-current liabilities due within one year	XVII 7	494,157	26,334
Total Current Liabilities		61,762,831	55,785,976
Non-current Liabilities:			
Long-term borrowings	XVII 8	25,000	449,080
Bonds payable		2,000,000	–
Lease liabilities		–	227
Long-term employee benefits payable		77,367	60,451
Provisions		153,995	–
Deferred income		3,598	3,598
Total Non-current Liabilities		2,259,960	513,356
TOTAL LIABILITIES		64,022,791	56,299,332

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S BALANCE SHEET (CONTINUED)

31 December 2024

All amounts in RMB'000 units in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	31 December 2024	31 December 2023
Shareholders' Equity:			
Share capital		20,723,619	20,723,619
Other equity instruments		50,600,000	47,400,000
Including: Perpetual bonds		50,600,000	47,400,000
Capital reserve		37,858,940	37,888,131
Other comprehensive income		(17,365)	(3,498)
Special reserve		12,550	12,550
Surplus reserve		3,782,468	3,391,294
Retained earnings		6,140,098	5,973,377
TOTAL SHAREHOLDERS' EQUITY		119,100,310	115,385,473
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		183,123,101	171,684,805

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	2024	2023
I. Total operating revenue		552,024,638	633,870,422
Including: Operating revenue	VII 53	552,024,638	633,870,422
II. Total operating costs		533,078,519	610,627,073
Including: Operating costs	VII 53	498,543,592	572,456,849
Taxes and levies	VII 54	2,156,087	1,921,074
Selling expenses	VII 55	3,063,315	3,169,316
Administrative expenses	VII 56	11,830,595	12,360,311
Research and development expenses	VII 57	16,406,225	19,730,402
Financial expenses	VII 58	1,078,705	989,121
Including: Interest expenses		3,362,179	2,643,310
Interest income		2,715,515	2,001,447
Add: Other income	VII 59	550,228	560,094
Investment losses	VII 60	(1,354,525)	(1,487,345)
Including: Gains from investments in associates and joint ventures		137,334	506,149
Losses from derecognition of financial assets at amortized cost		(1,089,125)	(1,737,172)
Losses from changes in fair values	VII 61	(377,207)	(314,223)
Credit impairment losses	VII 62	(7,193,525)	(5,994,293)
Impairment losses of assets	VII 63	(2,540,854)	(2,954,820)
Gains on disposal of assets	VII 64	1,052,666	663,075
III. Operating profit		9,082,902	13,715,837
Add: Non-operating income	VII 65	453,584	288,789
Less: Non-operating expenses	VII 66	281,948	239,854
IV. Total profit		9,254,538	13,764,772
Less: Income tax expenses	VII 67	1,350,206	2,358,663
V. Net profit		7,904,332	11,406,109
(I) Net profit classified by operating continuity		7,904,332	11,406,109
Net profit from continuing operations			
(II) Net profit classified by ownership ascription			
Net profit attributable to shareholders of the Company		6,745,954	8,670,405
Net profit attributable to non-controlling interests		1,158,378	2,735,704

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the year ended 31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	2024	2023
VI. Other comprehensive income, net of income tax	VII 49	(359,480)	66,560
Other comprehensive income attributable to shareholders of the Company, net of income tax		(364,852)	26,576
(I) Items that will not be reclassified to profit or loss		(120,938)	(80,701)
1. Re-measurement of defined benefit obligations		(229,146)	(75,595)
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		(10)	(8)
3. Changes in fair values of investments in other equity instruments		108,218	(5,098)
(II) Items that may be reclassified to profit or loss		(243,914)	107,277
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		(414)	3,968
2. Changes of fair value of receivables at FVTOCI		8,823	(7,874)
3. Exchange differences on translating financial statements in foreign currencies		(252,323)	111,183
Other comprehensive income attributable to non-controlling interests, net of income tax		5,372	39,984
VII. Total comprehensive income		7,544,852	11,472,669
Total comprehensive income attributable to shareholders of the Company		6,381,102	8,696,981
Total comprehensive income attributable to non-controlling interests		1,163,750	2,775,688
VIII. Earnings per share	VII 68		
(I) Basic earnings per share (RMB/share)		0.24	0.33
(II) Diluted earnings per share (RMB/share)		0.24	0.33

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S INCOME STATEMENT

For the year period ended 31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	2024	2023
I. Total operating revenue	XVII 9	1,219,788	1,413,954
Less: Operating costs	XVII 9	1,217,367	1,288,057
Taxes and levies		8,199	6,026
Administrative expenses		364,515	317,063
Research and development expenses		1,136	–
Financial expenses		(758,545)	(564,049)
Including: Interest expenses		1,468,330	1,802,835
Interest income		2,167,352	2,171,786
Add: Other income		808	662
Investment income	XVII 10	4,861,363	4,060,812
Including: Gains from investments in associates and joint ventures		9,096	4,229
Losses from changes in fair values		(375,377)	(256,407)
Credit impairment losses	XVII 11	(145,650)	(6,311)
Impairment losses of assets		(753,831)	(10,040)
Gains on disposal of assets		226	–
II. Operating profit		3,974,655	4,155,573
Add: Non-operating income		200	1
Less: Non-operating expenses		63,116	54
III. Total profit		3,911,739	4,155,520
Less: Income tax expenses		–	6,815
IV. Net profit		3,911,739	4,148,705
Net profit from continuing operations		3,911,739	4,148,705
V. Other comprehensive income, net of income tax		(13,867)	627
(I) Items that will not be reclassified to profit or loss		(16,546)	(993)
1. Changes in re-measurement of defined benefit obligations		(16,668)	(1,063)
2. Changes in fair values of investments in other equity instruments		122	70
(II) Items that will be reclassified to profit or loss		2,679	1,620
1. Items that may be reclassified to profit or loss in equity method		2,679	1,620
VI. Total comprehensive income		3,897,872	4,149,332

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	2024	2023
I Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		429,136,846	486,794,527
Receipts of tax refunds		957,274	1,017,607
Other cash receipts relating to operating activities	VII 69(1)	13,676,337	12,211,167
Sub-total of cash inflows from operating activities		443,770,457	500,023,301
Cash payments for goods purchased and services received		372,274,206	430,279,213
Cash payments to and on behalf of employees		30,412,732	31,705,046
Payments of various types of taxes		12,497,726	11,558,476
Other cash payments relating to operating activities	VII 69(1)	20,738,089	20,588,765
Sub-total of cash outflows from operating activities		435,922,753	494,131,500
Net Cash Flows from Operating Activities	VII 70(1)	7,847,704	5,891,801
II Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		487,057	471,917
Cash receipts from investment income		206,258	361,424
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		925,920	377,563
Net cash receipts from disposal of subsidiaries and other business units		—	11,584
Other cash receipts relating to investing activities	VII 69(2)	2,123,276	1,590,393
Sub-total of cash inflows from investing activities		3,742,511	2,812,881
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		6,862,652	4,595,332
Cash payments to acquire investments		3,592,778	4,901,815
Other cash payments relating to investing activities	VII 69(2)	2,869,112	40,237
Sub-total of cash outflows from investing activities		13,324,542	9,537,384
Net Cash Flows used in Investing Activities		(9,582,031)	(6,724,503)

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	2024	2023
III Cash Flows from Financing Activities:			
Cash receipts from capital contributions		28,113,304	27,482,081
Including: Cash receipts from capital contributions by non-controlling interests of subsidiaries		9,731,478	4,098,725
Cash receipts from issue of perpetual bond		18,381,826	23,383,356
Cash receipts from borrowings		344,764,476	211,958,809
Other cash receipts relating to financing activities	VII 69(3)	3,552,009	1,791,552
Sub-total of cash inflows from financing activities		376,429,789	241,232,442
Cash repayments of borrowings		335,480,579	202,004,995
Cash payments for distribution of dividends or profits or settlement of interest expenses		7,781,839	7,628,969
Including: Payments for distribution of dividends or profits to non-controlling interests of subsidiaries		463,990	1,236,675
Other cash payments relating to financing activities	VII 69(3)	22,107,548	30,442,360
Sub-total of cash outflows from financing activities		365,369,966	240,076,324
Net Cash Flows from Financing Activities		11,059,823	1,156,118
IV Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		15,000	58,475
V Net Increase in Cash and Cash Equivalents		9,340,496	381,891
Add: Opening balance of Cash and Cash equivalents		33,850,108	33,468,217
VI Closing Balance of Cash and Cash Equivalents	VII 70(3)	43,190,604	33,850,108

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S CASH FLOW STATEMENT

For the year period ended 31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	2024	2023
I Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		146,356	1,012,051
Other cash receipts relating to operating activities		1,002,508	1,319,187
Sub-total of cash inflows from operating activities		1,148,864	2,331,238
Cash payments for goods purchased and services received		251,522	931,099
Cash payments to and on behalf of employees		249,015	208,217
Payments of various types of taxes		27,977	37,157
Other cash payments relating to operating activities		814,537	1,254,812
Sub-total of cash outflows from operating activities		1,343,051	2,431,285
Net Cash Flows used in Operating Activities	XVII 12(1)	(194,187)	(100,047)
II Cash Flows from Investing Activities:			
Cash receipts from returns on investments		1,550,364	4,247,500
Cash receipts from investment income		3,817,213	3,574,826
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		—	1
Other cash receipts relating to investing activities		74,712,012	34,097,688
Sub-total of cash inflows from investing activities		80,079,589	41,920,015
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		70,737	26,516
Cash payments to acquire investments		1,042,023	1,982,207
Other cash payments relating to investing activities		79,343,909	34,218,488
Sub-total of cash outflows from investing activities		80,456,669	36,227,211
Net Cash Flows (used in)/from Investing Activities		(377,080)	5,692,804

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S CASH FLOW STATEMENT (CONTINUED)

For the year period ended 31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	Notes	2024	2023
III Cash Flows from Financing Activities:			
Cash receipts from investments		18,381,826	23,383,356
Including: Cash receipts from issue of perpetual bond		18,381,826	23,383,356
Cash receipts from borrowings		263,844,091	151,360,159
Other cash receipts relating to financing activities		452,668,718	382,091,331
Sub-total of cash inflows from financing activities		734,894,635	556,834,846
Cash repayments of borrowings		259,969,137	150,395,829
Cash payments for distribution of dividends or profits or settlement of interest expenses		4,047,835	3,577,903
Other cash payments relating to financing activities		462,924,940	412,062,732
Sub-total of cash outflows from financing activities		726,941,912	566,036,464
Net Cash Flows from/(used in) Financing Activities		7,952,723	(9,201,618)
IV Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		3,962	26,664
V Net Increase/(Decrease) in Cash and Cash Equivalents		7,385,418	(3,582,197)
Add: Opening balance of Cash and Cash equivalents		968,955	4,551,152
VI Closing Balance of Cash and Cash Equivalents	XVII 12(2)	8,354,373	968,955

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	2024									
	Attributable to shareholders of the Company									Total shareholders' equity
	Share capital	Other equity instruments (Perpetual bonds)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total	Non-controlling interests	
I Closing balance of the preceding year	20,723,619	47,400,000	22,582,222	1,111,475	411,766	3,391,294	49,859,806	145,480,182	22,510,983	167,991,165
II Opening balance of the current year	20,723,619	47,400,000	22,582,222	1,111,475	411,766	3,391,294	49,859,806	145,480,182	22,510,983	167,991,165
III Changes for the year	-	3,200,000	878,449	(360,357)	613,201	391,174	2,840,449	7,562,916	6,781,785	14,344,701
(I) Total comprehensive income	-	-	-	(364,852)	-	-	6,745,954	6,381,102	1,163,750	7,544,852
(II) Shareholders' contributions and reduction in capital	-	3,200,000	878,449	-	-	-	(155,992)	3,922,457	6,377,393	10,299,850
1. Capital contribution from shareholders	-	-	-	-	-	-	-	-	9,731,504	9,731,504
2. Capital reduction from shareholders	-	-	-	-	-	-	-	-	(342,200)	(342,200)
3. Capital contribution from other equity instruments' holders (Note VIII 47)	-	18,400,000	(29,260)	-	-	-	-	18,370,740	(26)	18,370,714
4. Capital reduction from other equity instruments' holders (Note VIII 47)	-	(15,200,000)	-	-	-	-	-	(15,200,000)	(3,246,700)	(18,446,700)
5. Acquisition of subsidiaries (Note VIII 1)	-	-	-	-	-	-	-	-	1,123,727	1,123,727
6. Transaction with non-controlling interests	-	-	891,867	-	-	-	-	891,867	(891,867)	-
7. Others	-	-	15,842	-	-	-	(155,992)	(140,150)	2,955	(137,195)
(III) Profit distribution	-	-	-	-	-	391,174	(3,745,018)	(3,353,844)	(755,660)	(4,109,504)
1. Transfer to surplus reserve	-	-	-	-	-	391,174	(391,174)	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	(1,492,101)	(1,492,101)	(560,937)	(2,053,038)
3. Distributions of perpetual bond interest	-	-	-	-	-	-	(1,861,743)	(1,861,743)	(194,723)	(2,056,466)
(IV) Transfers within shareholders' equity	-	-	-	4,495	-	-	(4,495)	-	-	-
1. Other comprehensive income carried forward to retained earnings	-	-	-	4,495	-	-	(4,495)	-	-	-
(V) Special reserve	-	-	-	-	613,201	-	-	613,201	(3,698)	609,503
1. Transfer to special reserve in the current period	-	-	-	-	10,934,301	-	-	10,934,301	1,297,056	12,231,357
2. Amount utilized in the current period	-	-	-	-	(10,321,100)	-	-	(10,321,100)	(1,300,754)	(11,621,854)
IV Closing balance of the current year	20,723,619	50,600,000	23,460,671	751,118	1,024,967	3,782,468	52,700,255	153,043,098	29,292,768	182,335,866

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

For the year ended 31 December 2024

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	2023									
	Attributable to shareholders of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments (Perpetual bonds)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total		
I Closing balance of the preceding year	20,723,619	28,500,000	22,601,592	1,084,471	119,813	2,976,424	45,102,415	121,108,334	40,800,791	161,909,125
Add: Changes in accounting policies	-	-	-	-	-	-	7,927	7,927	510	8,437
II Opening balance of the current year	20,723,619	28,500,000	22,601,592	1,084,471	119,813	2,976,424	45,110,342	121,116,261	40,801,301	161,917,562
III Changes for the year	-	18,900,000	(19,370)	27,004	291,953	414,870	4,749,464	24,363,921	(18,290,318)	6,073,603
(I) Total comprehensive income	-	-	-	26,576	-	-	8,670,405	8,696,981	2,775,688	11,472,669
(II) Shareholders' contributions and reduction in capital	-	18,900,000	(19,370)	-	-	-	(3,140)	18,877,490	(19,582,156)	(704,666)
1. Capital contribution from shareholders	-	-	-	-	-	-	-	-	99,130	99,130
2. Capital reduction from shareholders	-	-	-	-	-	-	-	-	(16,738,191)	(16,738,191)
3. Capital contribution from other equity instruments' holders	-	23,400,000	(22,214)	-	-	-	-	23,377,786	3,999,596	27,377,382
4. Capital reduction from other equity instruments' holders	-	(4,500,000)	-	-	-	-	(26,531)	(4,526,531)	(6,892,172)	(11,418,703)
5. Acquisition of subsidiaries	-	-	-	-	-	-	-	-	26,540	26,540
6. Transaction with non-controlling interests	-	-	308	-	-	-	22,888	23,196	(77,415)	(54,219)
7. Others	-	-	2,536	-	-	-	503	3,039	356	3,395
(III) Profit distribution	-	-	-	-	-	414,870	(3,917,373)	(3,502,503)	(1,475,124)	(4,977,627)
1. Transfer to surplus reserve	-	-	-	-	-	414,870	(414,870)	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	(1,720,060)	(1,720,060)	(1,198,891)	(2,918,951)
3. Distributions of perpetual bond interest	-	-	-	-	-	-	(1,782,443)	(1,782,443)	(276,233)	(2,058,676)
(IV) Transfers within shareholders' equity	-	-	-	428	-	-	(428)	-	-	-
1. Other comprehensive income carried forward to retained earnings	-	-	-	428	-	-	(428)	-	-	-
(V) Special reserve	-	-	-	-	291,953	-	-	291,953	(8,726)	283,227
1. Transfer to special reserve in the current period	-	-	-	-	11,639,390	-	-	11,639,390	792,489	12,431,879
2. Amount utilized in the current period	-	-	-	-	(11,347,437)	-	-	(11,347,437)	(801,215)	(12,148,652)
IV Closing balance of the current year	20,723,619	47,400,000	22,582,222	1,111,475	411,766	3,391,294	49,859,806	145,480,182	22,510,983	167,991,165

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S FOR THE YEAR ENDED 31 DECEMBER 2024 SHAREHOLDERS' EQUITY

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	2024							
	Share capital	Other equity instruments (Perpetual bonds)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I Opening balance of the current year	20,723,619	47,400,000	37,888,131	(3,498)	12,550	3,391,294	5,973,377	115,385,473
II Changes for the year	-	3,200,000	(29,191)	(13,867)	-	391,174	166,721	3,714,837
(I) Total comprehensive income	-	-	-	(13,867)	-	-	3,911,739	3,897,872
(II) Shareholders' contributions and reduction in capital	-	3,200,000	(29,191)	-	-	-	-	3,170,809
1. Capital contribution from other equity instruments' holders	-	18,400,000	(29,191)	-	-	-	-	18,370,809
2. Capital reduction from other equity instruments' holders	-	(15,200,000)	-	-	-	-	-	(15,200,000)
(III) Profit distribution	-	-	-	-	-	391,174	(3,745,018)	(3,353,844)
1. Transfer to surplus reserve	-	-	-	-	-	391,174	(391,174)	-
2. Distributions to shareholders	-	-	-	-	-	-	(1,492,101)	(1,492,101)
3. Distributions of perpetual bond interest	-	-	-	-	-	-	(1,861,743)	(1,861,743)
III Closing balance of the current year	20,723,619	50,600,000	37,858,940	(17,365)	12,550	3,782,468	6,140,098	119,100,310

FINANCIAL STATEMENTS

For the year ended 31 December 2024

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S FOR THE YEAR ENDED 31 DECEMBER 2024 SHAREHOLDERS' EQUITY (CONTINUED)

All amounts in RMB'000

Prepared by: Metallurgical Corporation of China Ltd.

Items	2023							
	Share capital	Other equity instruments (Perpetual bonds)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I Opening balance of the current year	20,723,619	28,500,000	37,907,129	(4,125)	12,550	2,976,424	5,742,045	95,857,642
II Changes for the year	-	18,900,000	(18,998)	627	-	414,870	231,332	19,527,831
(I) Total comprehensive income	-	-	-	627	-	-	4,148,705	4,149,332
(II) Shareholders' contributions and reduction in capital	-	18,900,000	(18,998)	-	-	-	-	18,881,002
1. Capital contribution from other equity instruments' holders	-	23,400,000	(18,998)	-	-	-	-	23,381,002
2. Capital reduction from other equity instruments' holders	-	(4,500,000)	-	-	-	-	-	(4,500,000)
(III) Profit distribution	-	-	-	-	-	414,870	(3,917,373)	(3,502,503)
1. Transfer to surplus reserve	-	-	-	-	-	414,870	(414,870)	-
2. Distributions to shareholders	-	-	-	-	-	-	(1,720,060)	(1,720,060)
3. Distributions of perpetual bond interest	-	-	-	-	-	-	(1,782,443)	(1,782,443)
III Closing balance of the current year	20,723,619	47,400,000	37,888,131	(3,498)	12,550	3,391,294	5,973,377	115,385,473

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

III. BASIC INFORMATION

Metallurgical Corporation of China Ltd. (the “Company”) was established as a joint stock limited liability company by China Metallurgical Group Corporation (“CMGC”) and China Baowu Steel Group Corporation (“CBSC”, formerly named as Baosteel Group Corporation) as promoters on 1 December 2008 and was registered in Beijing in the People’s Republic of China (the “PRC”), upon the approval by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (the “SASAC”) of Guozi Reform [2008] 528 Approval for CMGC’s Group Restructuring and Dual Listing in Domestic and Overseas Markets, issued on 10 June 2008. China Minmetals Corporation (“CMC”) is the parent company of the Company and the SASAC is the ultimate controlling party of the Company. Upon establishment of the Company, the registered capital of the Company was RMB13 billion, representing 13 billion ordinary shares of RMB1.0 each. On 14 September 2009, the Company issued 3,500 million A shares of the Company to domestic investors and these A shares of the Company were listed on the Shanghai Stock Exchange on 21 September 2009, and 2,610 million H shares of the Company were issued on 16 September 2009 and listed on the Main Board of The Stock Exchange of Hong Kong Ltd. (the “Hong Kong Stock Exchange”) on 24 September 2009. During the course of the issue of A shares and H shares of the Company, CMGC and CBSC transferred a total amount of 350 million shares of the Company to National Council for State Security Fund (“NSSF”) of the PRC and converted 261 million domestic shares into H shares which were transferred to NSSF, among which 261 million H shares were offered for sale upon issuance of H shares of the Company. Upon completion of the public offering of A shares and H shares above, the total registered capital of the Company increased to RMB19.11 billion.

Pursuant to the special mandate granted by the shareholders at the 2016 First Extraordinary General Meeting, the 2016 First A Shareholders’ Class Meeting and the 2016 First H Shareholders’ Class Meeting, having received the Approval in relation to the Non-public Issuance of Shares by Metallurgical Corporation of China Ltd. (Zheng Jian Xu Ke [2016] No. 1794) from the China Securities Regulatory Commission (the “CSRC”), the Company performed the non-public issuance of 1,613,619,000 A Shares of the Company (the “Non-Public Issuance”) to certain specific investors on 26 December 2016. Upon completion of the Non- Public Issuance, the share capital of the Company increased to RMB20,723,619,000, and CMGC remains as the controlling shareholder of the Company.

On 8 December 2015, the Strategic Restructuring between CMGC and CMC started upon the approval of the SASAC, whereby CMGC would be merged into CMC. In May 2019, CMGC completed the industrial and commercial registration of its shareholding alteration with its capital contributor changing from the SASAC to CMC. The status of CMGC as the controlling shareholder and the SASAC as the ultimate controlling shareholder of the Company does not change before or after the Strategic Restructuring.

In October 2018, CMGC purchased the structure adjusting funds for central enterprises at a consideration of 3% shares it held in the Company. The proportion of shareholding and voting upon the Company decreased from 59.18% to 56.18% subsequent to the completion of purchase and CMGC is still the controlling shareholder of the Company.

In September and November 2019, CMGC purchased the central enterprise innovation driven ETF fund with 224,685,000 shares of the Company. After the purchase, the shareholding ratio and voting right ratio of CMGC in the Company decreased from 56.18% to 55.10%, and CMGC remains as the controlling shareholder of the Company.

In May 2020, CMGC transferred its 1,227,760,000 A shares of the Company (accounting for 5.92% of the Company’s total share capital) to China National Petroleum Corporation (“CNPC”) for free. After the completion of the free transfer, China Metallurgical Company’s shareholding and voting rights in the Company were reduced from 55.10% to 49.18%, and CMGC remains as the controlling shareholder of the Company. The controlling shareholder of CMGC is CMC, and the ultimate controller of the Company is SASAC.

In December 2024, MCC Group transferred 9,171,860,000 A shares of the Company (accounting for 42.26% of the Company’s total share capital) to CMC for free. After the completion of the free transfer, China Metallurgical Company’s shareholding and voting rights in the Company were reduced from 49.18% to 4.92%. The controlling shareholder of the Company is changed to CMC, and the ultimate controller of the Company is SASAC.

The Company and its subsidiaries (the “Group”) are principally engaged in the following activities: engineering contracting, featured business and comprehensive real estate.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

III. BASIC INFORMATION (CONTINUED)

The Group provide services and products as follows: provision of engineering, construction and other related contracting services for metallurgical and non-metallurgical projects ("engineering contracting"); the manufacturing of specialized metallurgical equipment, steel structures, and other metal products, as well as the construction and operation of eco-friendly related engineering projects, engineering supervision, consulting, and technical services and mineral resources development business ("featured business"), the development and sales of residential and commercial real estate, the construction of affordable housing, and the primary land development ("comprehensive real estate").

During the reporting period, the Group did not have material changes on principal its business activities.

The Company's and consolidated financial statements had been approved by the board of directors of the Company on 28 March 2025. In accordance with the Articles of Association of the Company, these financial statements will be submitted to the General Meeting of Shareholders for consideration.

IV. BASIS OF PREPARATION

1. Basis of preparation

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standard and specific accounting standards, interpretations, other relevant regulations issued subsequently by the Ministry of Finance (the "MOF") (hereinafter collectively referred to as "ASBEs"). In addition, the financial statements also disclose relevant financial information in accordance with the Rules No. 15 for the Preparation of Information Disclosure by Companies Offering Securities to the Public – General Provisions on Financial Reports.

According to Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong and other Hong Kong Listing Rules Amendments issued by the Hong Kong Stock Exchange in December 2010, and the relevant provisions issued by the MOF and the CSRC, and approved by the stockholders in the general meeting of the Company, from fiscal year 2014, the Company no longer provides the financial statements prepared in accordance with the ASBEs and International Financial Reporting Standards ("IFRSs") separately to stockholders of A shares and H shares. Instead, the Company provides the financial statements prepared in accordance with the ASBEs to all stockholders, taking into consideration the relevant disclosure requirements of Hong Kong Companies Ordinance and the Hong Kong Listing Rules into consideration.

2. Accrual basis and measurement principle

The Group has adopted the accrual basis of accounting. Except for certain financial instruments set out in Note XII 1 which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

In the historical cost measurement, assets obtained shall be measured at the amount of cash or cash equivalents or fair value of the purchase amount paid. Liabilities shall be measured at the actual amount of cash or assets received or the contracted amount, given the current obligations assumed, or measured at the prospective amount of cash or cash equivalents paid to discharge the liabilities according to business activities.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing market participants in an arm's length transaction at the measurement date. Fair value measured and disclosed in the financial statements is determined on this basis whether it is observable or estimated by valuation techniques.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

IV. BASIS OF PREPARATION (CONTINUED)

2. Accrual basis and measurement principle (Continued)

The following table provides an analysis, grouped into Levels 1 to 3 based on the degree to which the fair value input is observable and significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly;

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3. Going concern

The Group has performed an assessment of the going concern for the following 12 months from 31 December 2024 and does not identify any significant doubtful matter or event on the going concern. As such, these financial statements have been prepared on a going concern basis.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance

These financial statements are in compliance with the ASBEs to truly and completely reflect consolidated and the Company's financial position as at 31 December 2024 and consolidated and the Company's operating results and cash flows for the period then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Business cycle

Business cycle refers to the period that starts from the purchase of assets for production and ends with the realization of cash or cash equivalents. The business cycle of infrastructure and property development business of the Group is normally over one year because the duration of construction and infrastructure warranty is relatively long. The business cycles of other businesses last for 12 months in general.

4. Functional currency

The Company and its domestic subsidiaries choose Renminbi ("RMB") as their functional currency. The functional currency of the overseas subsidiaries of the Company is selected based on the primary economic environment where they operate. The Company adopts RMB to present its financial statements.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Methods of determining materiality criteria and selection basis for financial statement disclosure

	Materiality criteria
Significant receivables for which provision for bad debts is made individually	The original value of individual provision for impairment is more than RMB1.5 billion or the amount of provision for impairment in the current period is more than RMB100 million
The amount of provision for bad debts of receivables recovered or reversed is significant	The amount of individual provision for impairment recovered or reversed in the current period is more than RMB100 million
Significant receivables actually written off	The amount written off individually is more than RMB100 million
There are significant changes in carrying amounts of contract assets	Changes in the carrying amount of contract assets account for more than 30% of the opening balance of contract assets
Significant construction in progress	Closing balance exceeds 0.05% of the Group's total assets
Significant subsidiaries with minority interests	Net assets of subsidiaries account for more than 5% of the Group's net assets, or the non-controlling interest of a single subsidiary accounts for more than 1% of the Group's net assets
Significant joint ventures or associates	The carrying amount of long-term equity investment in a single investee accounts for more than 5% of the Group's net assets, or the investment profit and loss under the equity method of long-term equity investment accounts for more than 10% of the Group's consolidated net profit
Significant receipts in advance/contract liabilities aged over 1 year	The balance of receipts in advance/contract liabilities aged over 1 year individually accounts for more than 10% of the balance of receipts in advance/contract liabilities at the beginning of the year and is more than RMB100 million
There are significant changes in the carrying amounts of receipts in advance/contract liabilities	The balance of changes in receipts in advance/contract liabilities individually accounts for more than 10% of the balance of receipts in advance/contract liabilities at the beginning of the year
Significant accounts payable/other payables aged over 1 year	The balance of accounts payable/other payables aged over 1 year individually accounts for more than 10% of the balance of accounts payable/other payables at the beginning of the year
Significant overdue accounts payable/other payables	The balance of overdue accounts payable/other payables individually accounts for more than 5% of the balance of accounts payable/other payables at the beginning of the year

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

A business combination under the same control is a business combination in which the enterprises participating in the combination are ultimately controlled by the same party or the same parties before and after the combination, and the control is not temporary. The assets and liabilities acquired by the combining party in a business combination under common control (including goodwill arising from the acquisition of the combined party by the ultimate controlling party) shall be accounted for on the basis of the carrying amount in the financial statements of the ultimate controlling party on the combination date. The difference between the book value of the net assets obtained by the combining party and the book value of the combination consideration paid (or the total face value of the shares issued) shall be adjusted to the share premium in the capital reserve. If it is insufficient to offset, the retained earnings shall be adjusted.

A business combination not involving enterprises under common control is a business combination in which the enterprises participating in the combination are not ultimately controlled by the same party or the same parties before and after the combination. Identifiable assets, liabilities and contingent liabilities of the acquiree acquired in a business combination not involving enterprises under common control are measured at fair value on the acquisition date. The difference between the combination cost and the acquiree's share of the fair value of the acquiree's identifiable net assets acquired in the combination is recognized as goodwill and subsequently measured at cost less accumulated impairment losses. If the combination cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the combination, the measurement of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree obtained and the combination cost shall be reviewed. If the combination cost is still less than the fair value share of the identifiable net assets of the acquiree obtained in the combination after the review, the difference shall be included in the current profit and loss.

7. Consolidated financial statements

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. Subsidiary refers to the entity controlled by the company (including the divisible parts of the enterprises, the invested units, and the structured entities controlled by the company, etc). An investor is able to control the investee if and only if it has power over the investee, has variable returns for participating in the investee's activities, and has the ability to use its power over the investee to influence the amount of its returns.

In the preparation of the consolidated financial statements, where the accounting policies of a subsidiary are different from those of the Company have made adjustments to the financial statements of the subsidiary based on the Company's own accounting policies, Where the accounting period of a subsidiary is different from that of the Company, the Company has adjusted the financial statements of the subsidiary based on the Company's own accounting period. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess shall still be allocated against the non-controlling interests.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Consolidated financial statements (Continued)

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

If the accounting treatment of a transaction is inconsistent in the financial statements at the Group level and at the Company or its subsidiary level, adjustment will be made from the perspective of the Group.

Without loss of control, a change in minority shareholders' interests is treated as an equity transaction.

8. Classification of joint arrangement and joint operation

There are only two types of joint arrangements – joint operations and joint ventures.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint ventures are accounted for using the equity method.

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. When the Group undertakes its activities under joint operations, the Group as a joint operator recognized in relation to its interest in a joint operation: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly. The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the provision applicable to the particular assets, liabilities, revenue and expenses.

9. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Translation of transactions and financial statements denominated in foreign currencies

(1) Transactions denominated in foreign currencies

The Group converts the foreign currency amount into the accounting base currency amount for foreign currency transactions that occur.

At the time of initial recognition of a foreign currency transaction, the amount in the foreign currency is converted into the base currency of account using the spot exchange rate on the date of the transaction, but the capital invested by the investor in the foreign currency is converted at the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period.

When preparing financial statements involving foreign operations, if there is any foreign currency monetary items which in substance form part of the net investment in the foreign operations, exchange differences arising from the changes of foreign currency should be recorded as other comprehensive income, and will be reclassified to profit or loss upon disposal of the foreign operations.

Non-monetary items that are measured in terms of historical cost in a foreign currency are still translated using the exchange rate used at the time of initial recognition, and the amount in the base currency of accounting remains unchanged. Non-monetary items measured at fair value in a foreign currency are translated at the spot exchange rate on the date of fair value determination, and the resulting difference is recognized in profit or loss or other comprehensive income for the current period according to the nature of the non-monetary items.

(2) Translation of financial statements denominated in foreign currency

For the purpose of preparing consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the spot exchange rates on the dates of the transactions; the opening balance of retained earnings is the translated closing balance of the previous year's retained earnings; and the closing balance of retained earnings is calculated and presented on the basis of each translated income statement and profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recorded as other comprehensive income.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of foreign exchange rate changes on cash and cash equivalents".

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. When the Group recognizes the accounts receivable excluding significant financing component or does not consider the financing component in the contract within one year in accordance with the Accounting Standards of Business Enterprise No. 14 – Revenue (hereinafter referred to as “New Standards for Revenue”, the standards for revenue before modification are to be referred to as “Former Standards for Revenue”), the accounts receivable on initial recognition is measured at transaction price defined in New Standards for Revenue.

The amortized cost of a financial asset or a financial liability is an accumulatively amortized amount arising from the initially recognized amount of the financial asset or the financial liability deducting repaid principals plus or less amortization of the differences between the initially recognized amount on initial recognition and the amount on maturity date using the effective interest method, and then deducting accumulated provisions for losses (only applicable to financial assets).

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability without considering expected credit losses.

(1) Classification and measurement of financial assets

On initial recognition, the Group’s financial assets are classified into the following categories: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

(a) Financial assets measured at amortized cost

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group shall classify the financial asset into the financial asset measured at amortized cost. The Group’s financial assets measured at amortized cost include cash and bank balances, bills and accounts receivable, other receivables, non-current assets due within one year and long-term receivables.

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest rate method. Gain or loss arising from impairment or derecognition is recognized in profit or loss.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(1) Classification and measurement of financial assets (Continued)

(a) Financial assets measured at amortized cost (Continued)

For financial assets measured at amortized cost, the Group recognizes interest income using effective interest rate method. The Group calculates and recognizes interest income through book value of financial assets multiplying effective interest rate, except for the following circumstances:

1. For purchased or originated credit-impaired financial assets with credit impairment, the Group calculates and recognizes its interest income based on amortized cost of the financial asset and the effective interest rate through credit adjustment since initial recognition.
2. For purchased or originated financial assets without credit impairment incurred while with credit impairment incurred in subsequent periods, the Group calculates and recognizes its interest income based on amortized cost of the financial asset and the effective interest rate in subsequent periods. If the credit risk of the financial asset is reduced during subsequent periods and credit impairment does not exist, the Group shall calculate and recognize interest income through book value of financial assets multiplying effective interest rate.

(b) Financial assets at fair value through other comprehensive income ("FVTOCI")

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, the Group shall classify the financial asset into the financial assets at FVTOCI.

Impairment losses or gains related to financial assets, interest income measured using effective interest rate method and exchange gains or losses are recognized into profit or loss for the current period. Except for the above circumstances, changes in fair value of the financial assets are included in other comprehensive income. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income shall be removed from other comprehensive income and recognized in profit or loss.

The Group's financial assets at FVTOCI are presented in the line item "financing with receivables" in the balance sheet.

(c) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL include financial assets at FVTPL and those designated as at FVTPL.

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are categorized into financial assets measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The Group's financial assets measured at FVTPL include monetary funds, tradable equity instrument investments, investments in unlisted funds and trust products and derivatives classified as financial assets, which are presented under the items "tradable financial assets", "other non-current financial assets" and "derivative financial assets" in the balance sheet. The Group has no financial assets designated as at FVTPL.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(1) Classification and measurement of financial assets (Continued)

- (d) Designated as financial assets at fair value through other comprehensive income ("FVTOCI")

On initial recognition, the Group may irrevocably designate a non-tradable equity instrument investments as financial asset measured at FVTOCI.

The financial assets designated as financial assets measured at FVTOCI are set out under the item "investments in other equity instrument". Changes in fair value of non-tradable equity investments should be recognized in other comprehensive income, and when the financial assets are derecognized, the accumulative gains or losses previously recognized in other comprehensive income shall be transferred out from other comprehensive income and recognized in retained earnings. During the period that the Group holds these non-tradable equity instruments, the Group has established the right of collecting dividends, whose economic benefit is probably flow into the Group, and the amount of the dividends can be reliably measured, then the Group recognize dividend income in profit or loss.

(2) Impairment of financial instruments

Determination and accounting treatment of expected credit losses.

The Group shall recognize an impairment loss for expected credit losses on financial assets measured at amortized cost, financial assets at FVTOCI, contract assets and financial guarantee contracts.

The Group measures loss reserves for contract assets and accounts receivable formed by transactions regulated by income standards that do not include significant financing components or do not consider the financing components in contracts that do not exceed one year at an amount equivalent to the expected credit loss over the entire duration.

For other financial instruments, the Group assesses changes in credit risks of the relevant financial instruments since initial recognition at each balance sheet date. If the credit loss of the financial instruments has been significantly increased since initial recognition, the Group will make a loss allowance at an amount of expected credit loss during the whole life; if not, the Group will make a loss allowance for the financial instruments at an amount in the future 12-month expected credit losses. The increased or reversed amount of credit is recognized in profit or loss as impairment loss or gain. The Group has made a loss allowance against amount of expected credit losses during the whole life in the prior accounting period. However, at the balance sheet date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group will measure the loss allowance for that financial instrument at an amount in the future 12-month expected credit losses. Reversed amount of loss allowance arising from such circumstances shall be included in profit or loss as impairment gains.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(2) Impairment of financial instruments (Continued)

The Group's approach to measuring ECLs on financial instruments reflects factors such as the unbiased probability-weighted average amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions and projections of future economic conditions available at the balance sheet date without undue additional cost or effort.

(a) Significant increase of credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instruments as at the reporting date with the risk of a default occurring on the financial instruments as at the date of initial recognition. For financial guarantee contracts, when applying the provision of impairment of financial instruments, the Group shall take the date when it becomes the party making an irrevocable undertaking as the initial confirmation date.

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

- Significant changes in internal price indicators of credit risk as a result of a change in credit risk;
- Adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations;
- An actual or expected significant change in the operating results of the debtor;
- Significant adverse change in the regulatory, economic, or technological environment of the debtor;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring;
- Significant changes in circumstances expected to reduce the debtor's economic incentive to make scheduled contractual payments;
- Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the financial instruments;
- Significant changes in the expected performance and behavior of the debtor;
- Past due period of contract payment exceeds (inclusive) 30 days.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(2) Impairment of financial instruments (Continued)

(a) Significant increase of credit risk (Continued)

At balance sheet date, if the Group considers that the financial instruments has only lower credit risk, the Group will assume that the credit risk of the financial instruments has not been significantly increased since initial recognition. If the risk of default on financial instruments is low, and the borrower's ability to meet its contractual cash flow obligations in the short term is strong, even if the economic situation and operating environment are adversely changed over a long period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligations, and the financial instrument is considered to have a lower credit risk.

(b) Credit-impaired financial assets

When the Group expected occurrence of one or more events which may cause adverse impact on future cash flows of a financial asset, the financial asset will become a credit-impaired financial assets. Objective evidence that a financial asset is impaired includes the following observable events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganizations;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or the debtor;
- Purchase or originate a financial asset with a large scale of discount, which reflects the facts of credit loss incurred.

(c) Determination of expected credit loss

The Group determines expected credit losses of relevant financial instruments using the following methods:

- For a financial asset, a credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive;
- For a financial guarantee contract, the credit loss is the present value of the differences between estimated amount paid by the Group for the credit losses incurred by the contract holder and the amount the Group expects to receive from the contract holder, the debtor or any other party;

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(2) Impairment of financial instruments (Continued)

(c) Determination of expected credit loss (Continued)

- For a financial asset with credit-impaired at the balance sheet date, the credit loss is the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Classification and determination basis of impairment provision based on credit risk characteristics

The Group assesses the expected credit losses of accounts receivable on the basis of the aging portfolio.

Aging calculation method based on the combination of credit risk characteristics recognized by aging

The Group's accounts receivable arising from engineering and construction services are settled in accordance with the terms stipulated in the relevant transaction contracts, and the aging of the relevant accounts receivable is calculated based on the time point of project settlement.

Judgment criteria for individual provision of ECLs

If the credit risk characteristics of a counterparty are significantly different from those of other counterparties in the portfolio, a loss provision shall be made for the amount due from the counterparty individually. The Group assesses accounts receivable for which ECLs are individually accrued and accrues ECLs, taking into account reasonable and supportable information available in relation to the counterparty, including forward-looking information.

Write-off of impairment provision

When the Group will no longer reasonably expect that the contractual cash flows of financial assets can be collected in aggregate or in part, the Group will directly write down the carrying amount of the financial asset, which constitutes derecognition of relevant financial assets.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(3) *Transfer of financial assets*

The Group will derecognize a financial asset if one of the following conditions is satisfied: (i) the contractual rights to the cash flows from the financial asset expire; (ii) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; or (iii) the financial asset has been transferred, and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but the Group has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, the Group will recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognize an associated liability.

If a transfer of a financial asset in its entirety satisfies the derecognition criteria, for financial asset categorized into those measured at amortized cost, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer is recognized in profit or loss; for the non-tradable equity instruments designated as financial assets at FVTOCI, the cumulative gain or loss that has been recognized in other comprehensive income should be transferred out from other comprehensive income but be recognized in retained earnings.

If a transfer of a financial asset partially satisfies the derecognition criteria, the carrying amount of the transferred financial asset is allocated between the part that is derecognized and the part that is continuously involved, based on the respective fair values of those parts on transfer date. The difference between the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income; and the carrying amount allocated to the part derecognized on derecognition date; is recognized in profit or loss or retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognize the transferred financial asset in its entirety. Considerations received due to transfer of assets should be recognized as a liability upon receipts.

(4) *Classification and measurement of financial liabilities*

Financial instruments issued by the Group are classified into financial liabilities or equity instruments based on the substance of the business and contractual arrangements other than its legal form, together with the definition of financial liability and equity instruments on initial recognition.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(4) Classification and measurement of financial liabilities (Continued)

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL consist of financial liabilities held for trading (including derivatives classified as financial liabilities) and those designated as at FVTPL.

Financial liabilities meet one of the following conditions, indicating that the Group's purpose of undertaking the financial liabilities is for trading:

- The purpose of undertaking relevant financial liabilities is mainly for the recent repurchase;
- The relevant financial liabilities are part of the centrally managed identifiable financial instrument portfolio at initial recognition, and there is objective evidence that short-term profits will occur in the near future;
- Related financial liabilities are derivatives, except for derivatives that meet the definition of a financial guarantee contract and that are designated as effective hedging instruments.

Financial liabilities held for trading are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest expenses paid on the financial liabilities are recognized in profit or loss.

The Group's financial liabilities measured at FVTPL are derivatives classified as financial liabilities which are presented as "derivative financial liabilities" in the balance sheet.

(b) Financial liability measured at amortized cost

Other financial liabilities, except for financial liabilities arising from transfer of financial assets which does not satisfy derecognition criteria or continuous involvement of transferred financial assets and financial guarantee contracts liability, are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss. The Group's financial liabilities measured at amortized cost include bills payable, accounts payable, other payables, long-term payables, loans and bonds payable etc.

If the Group and its counterparty modify or renegotiate the contract and do not lead to derecognition of a financial liability subsequently measured at amortized cost but result in changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized in profit or loss. The Group will determine carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the financial liability's original effective interest rate. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and amortized during the remaining term of the modified financial liability.

If the term of the financial liability measured at amortized cost is under one year (inclusive), the financial liability is presented as current liability; if the financial liability is with the term over one year but will fall due within one year (inclusive) since the balance sheet date, it is present as non-current liability due within one year; others are presented as non-current liability.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(4) *Classification and measurement of financial liabilities (Continued)*

(c) Financial guarantee contracts

A financial guarantee contract is a contract by which the issuer is required to compensate a specific amount to the contract holder suffering losses in the case where the specific debtor fails to settle the debt in accordance with the initial or revised terms of debt instrument when the debt falls due. After initial recognition, the Group measure financial guarantee contracts at the higher of: amount of loss allowance; and the amount initially recognized less cumulative amortization recognized in accordance with related terms of Standards for Revenue.

(5) *Derecognition of financial liabilities*

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing debtor) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

(6) *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The issuance (including refinance), repurchase, selling or cancellation of these instruments are treated as change in equity. Change of fair value of equity instruments is not recognized by the Group. The related transaction costs are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect the total amount of shareholders' equity.

(7) *Derivatives*

Derivatives of the Group include forward foreign exchange settlement contracts and currency swap contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. Changes are recognized in current profit or loss.

(8) *Offsetting financial assets and financial liabilities*

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Inventories

(1) Categories of inventories and initial measurement

The Group's inventories are initially measured at cost. Inventories mainly include raw materials, material procurement, outsourced processing materials, work in progress, finished goods, materials in transit, properties under development, completed properties held for sale etc.

The cost of contract performance classified as current assets is shown in inventory.

(2) Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the first-in-first-out or weighted average method. Cost of finished goods and work in progress comprise all costs of materials, direct labor costs and other manufacturing overheads allocated on a normal production capacity and systematic basis.

(3) Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined based on clear evidence obtained, taking into consideration the purposes of holding inventories and effect of post balance sheet events.

(4) The perpetual inventory system is maintained for stock system.

(5) Amortization method for low cost and short-lived consumable items and packaging materials

Materials in transit include packaging materials and low cost and short-lived consumable items. Packaging materials and low cost and short-lived consumable items are using either one-off amortization method or multiple-stage amortization method.

(6) Properties under development and completed properties held for sale

Costs of properties under development and completed properties held for sale mainly consist of acquisition cost of land use rights, expenditures of land development, infrastructure costs, construction costs, capitalized borrowing costs and other relevant costs. The expenditure of development land is included in the development cost. The construction expenditures of public facilities (the facilities approved by the relevant government departments such as roads) form part of property development costs and are allocated to respective individual properties projects. Development costs are capitalised as developed products after completion of construction.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, associates and joint ventures.

Subsidiaries are the companies that are controlled by the Company. Associates are the companies over which the Group has significant influence. Joint ventures are joint arrangements over which the Group has joint control along with other investors and has rights to the net assets of the joint arrangement.

The Company accounts for the investment in subsidiaries at historical cost in the Company's financial statements. Investments in joint ventures and associates are accounted for under equity method.

(1) Determination of investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the share of the carrying amount of the shareholders' equity of the acquiree attributable to the ultimate controlling party at the date of combination. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition. For a business combination not involving enterprises under common control achieved in stages that involves multiple exchange transactions, the initial investment cost is carried at the aggregate of the carrying amount of the acquirer's previously held equity interest in the acquiree and the new investment cost incurred on the acquisition date.

Regarding the long-term equity investment acquired otherwise than through a business combination, if the long-term equity investment is acquired by cash, the historical cost is determined based on the amount of cash paid and payable; if the long-term equity investment is acquired through the issuance of equity instruments, the historical cost is determined based on the fair value of the equity instruments issued.

(2) Subsequent measurement and recognition of profit or loss

If the long-term equity investment is accounted for at cost, it should be measured at historical cost. Dividend declared by the investee should be accounted for as investment income.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

(2) *Subsequent measurement and recognition of profit or loss*

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets at the acquisition date after making appropriate adjustments to be in compliance with the Group's accounting policies and accounting period. The Group's share of net losses of the investee is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume further losses. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as an investment loss for the period. For the changes in equity in addition to the net profit or loss, other comprehensive income and profits distribution, the carrying value of long-term equity investment is adjusted when the investee declares dividend distribution and included in shareholders' equity. The Group recognizes its share of the dividends of the investee by reducing the carrying value of the investment. Unrealized profits or losses resulting from the Group's transactions with its associates and joint ventures are recognized as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated if the trading assets do not form a business. Unrealized losses are resulted from the Group's transactions with its associates and joint ventures, and the assets impairment losses are not eliminated.

(3) *Basis for determining control, joint control and significant influence over investee*

Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

(4) *Impairment loss of long-term equity investments*

If the recoverable amounts of the investments to subsidiaries, joint ventures and associates are less than their carrying amounts, an impairment loss should be recognized to reduce the carrying amounts to the recoverable amounts (Note V19).

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Investment properties

Investment properties refer to real estate held for rent or capital appreciation, or both,

Investment properties are initially measured at cost. Subsequent expenditures related to investment properties are included in the cost of investment real estate when the relevant economic benefits are likely to flow into the Group and the cost can be reliably measured; Otherwise, they are included in the current profit and loss when incurred.

The Group uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property according to estimated useful lives and net salvage value for buildings or land use rights. The estimated useful lives, estimated residual values and annual depreciation rates of investment properties by category are as follows:

Item	Estimated useful lives (years)	Estimated residual values (%)	Annual depreciation (amortization) rate (%)
Buildings and structures	15–40	3–5	2.38–6.47
Land use rights	40–70	–	1.43–2.50

When the purpose of the investment properties is changed to self-use, the investment properties are transferred to fixed assets or intangible assets from the date the purpose is changed. When the purpose of the self-use buildings or land use rights are changed to held for earning rentals or capital appreciation, the buildings are transferred from fixed assets or intangible assets to investment properties from the date the purpose is changed. When a conversion occurs, the carrying amounts before the conversion is used as the entry value after the conversion.

The estimated useful lives, estimated residual values and depreciation (amortization) rate of investment properties are reviewed and adjusted as appropriate at each year-end.

When an investment property is sold or retired from its use and the expected not to be able to recover economic benefits from disposal, the investment property should be de-recognized. When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

If the recoverable amounts of the investment properties are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V19).

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets

(1) Recognition criteria for fixed assets

Fixed assets include buildings and structures, machinery and equipment, transportation vehicles, office equipment and others.

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured. Purchased or constructed fixed assets are initially measured at cost when acquired. During the course of transformation of the Company into a limited liability company, the initial costs of fixed assets injected by the State-owned shareholder were measured based on the valuation amounts approved by the State-owned assets management authority.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. When old-fixed asset items are replaced by other new fixed asset items, the old-fixed asset items should be de-recognized. Other subsequent expenditures are recognized in profit or loss or cost of related assets according to the beneficiary.

(2) Depreciation of each category of fixed assets

Fixed asset is depreciated based on the cost of fixed asset recognized less expected net residual value over its useful life using the straight-line method. For the impaired fixed asset, depreciation is calculated based on the carrying amount of the fixed asset after impairment over the estimated remaining useful life of the asset. The estimated useful lives, estimated residual values and annual depreciation rate of fixed assets are reviewed at each year end date to assess if any change is needed. The estimated useful life, estimated net residual value and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation method	Useful life (year)	Residual value (%)	Annual depreciation rate (%)
Buildings and structures	the straight-line method	15–40	3–5	2.38–6.47
Temporary buildings and structures	the straight-line method	3–5	3–5	19.00–32.33
Machinery and equipment	the straight-line method	3–14	3–5	6.79–32.33
Transportation vehicles	the straight-line method	5–12	3–5	7.92–19.40
Office equipment and others	the straight-line method	5–12	3–5	7.92–19.40

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (Continued)

(3) Derecognition and impairment

If a fixed asset is disposed of or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

If the recoverable amounts of the fixed assets are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V19).

16. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction, installation costs, borrowing costs capitalized and other expenditures incurred until such time as the relevant assets are completed and ready for its intended use. When the asset concerned is ready for its intended use, the cost of the asset is transferred to fixed assets and depreciated starting from the following month.

If the recoverable amounts of the construction in progress are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V19).

17. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss.

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows: where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds; or where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets

(1) Valuation methods, service life and impairment

The Group's intangible assets include land use rights, mining rights, the right to use of the franchise, software, patent, proprietary technology and trademark right and others. Intangible assets are measured initially at cost. During the course of transformation of the Company into a limited liability company, the initial costs of intangible assets injected by the State-owned shareholder were measured based on the valuation amount approved by the State-owned assets management authority.

(a) Land use rights

Land use rights of the Group are amortized on the straight-line basis according to the useful lives of 40 to 70 years.

(b) Mining rights

Amortization is calculated based on the units of production method based only on proved mining reserves.

(c) The right to use of the franchise

The Group engages in certain service concession arrangements in which the Group carries out construction work for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority. The assets under the concession arrangements may be classified as intangible assets or receivables from the granting authority.

The Group recognizes revenue and a financial asset to the extent that it has an unconditional contractual right to receive specified or determinable amount of cash or another financial assets from the granting authority, or to receive the shortfall from the granting authority, if any, between amounts received from users of the public service and specified or determinable amounts.

According to the contract, the Group has the right to charge fees from the service recipients during a certain operating period after the related infrastructure construction is completed. If the charge amount is undetermined, this right does not constitute any right of collecting cash unconditionally. The Group recognizes revenue and intangible assets simultaneously.

The Group classifies the non-current assets linked to the long-term investment in these concession arrangements as "concession assets" within intangible assets on the balance sheet if the intangible asset model is adopted. Once the underlying infrastructure of the concession arrangements has been completed, the concession assets will be amortized over the term of the concession on the straight-line or traffic flow basis under the intangible asset model.

If the financial asset model is applied, the Group recognizes financial assets resulted from the concession arrangement in its balance sheet. Financial assets are measured in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

(1) Valuation methods, service life and impairment (Continued)

(d) Software

Software is amortized on the straight-line basis over its estimated useful life of 3 to 5 years.

(e) Patent and proprietary technologies

Patent and proprietary technologies are amortized on the straight-line basis over 5 to 20 years.

(f) Review of the useful life and amortization method periodically

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the year, and makes adjustments when necessary.

(g) If the recoverable amounts of the intangible assets are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V19).

(2) Internal research and development expenditures

Internal research and development project expenditures were classified into research expenditures and development expenditures depending on its nature and the greater uncertainty whether the research activities becoming to intangible assets.

Expenditure during the research phase is recognized as an expense in the period in which it is incurred. Expenditure during the development phase that meets all of the following conditions at the same time is recognized as an intangible asset:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- The Group has the intention to complete the intangible asset and use or sell it;
- The Group can demonstrate the ways in which the intangible asset will generate economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- The expenditure attributable to the intangible asset during its development phase can be reliably measured.

Expenditures that do not meet all of the above conditions at the same time are recognized in profit or loss when incurred. Expenditures that have previously been recognized in the profit or loss would not be recognized as an asset in subsequent years. Those expenditures capitalized during the development stage are recognized as development costs incurred and will be transferred to intangible assets when the underlying project is ready for an intended use.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Impairment of non-current assets other than financial assets

The Company assesses at each balance sheet date whether there is any indication that the fixed assets, construction in progress, right of use assets, intangible assets with finite useful lives, investment properties measured at historical cost, investments in subsidiaries, joint ventures and associates may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flow estimated to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

Goodwill arising from a business combination is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset group that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss is firstly used to reduce the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then used to reduce the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, on a pro-rata basis of the carrying amount of each asset.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

20. Long-term prepayments

Long-term prepayments include improvement expenses on leased assets and other expenses incurred that should be amortized over the current and subsequent periods (amortization period of more than one year). Long-term prepayments are amortized on a straight-line basis over the expected periods in which benefits are derived, presented as the net amount of actual expenditure less accumulated amortization.

21. Employee benefits

(1) Short-term employee benefits

Short-term employee benefits include salaries, bonus, subsidies, staff benefits, social security charges (including medical insurance, work-related injury insurance and maternity insurance, etc.), housing funds, labor union expenditures and personal education.

During the accounting period in which the employees provide services, the Group's actual short-term remuneration is recognized as liabilities and included in the profits or losses of the current year or recognized as respective assets costs. At the time of actual occurrence, The Group's employee benefits are recorded into the profits and losses of the current year or the cost of relevant assets according to the actual amount. The non-monetary employee benefits are measured at fair value.

Regarding the health insurance, industrial injury insurance, maternity insurance and other social insurances, housing fund and labor union expenditure and personnel education that the Group paid for employees, the Group should recognize corresponding employee benefit payables and include these expenses in the profits or losses of the current year or recognized as respective assets costs.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(2) *Post-employment benefits (Defined contribution plans)*

All the employees of the Group enjoy and participate in the endowment insurance plans set by local government, which are called defined contribution plans. The Group takes certain proportion (no more than the upper limit) out of employees' wages as endowment insurance, and pays to local labor and social security institutes. Corresponding expenses shall be included in the profits or losses of the period in which employees provide services or assets associated costs

(3) *Post-employment benefits (Defined benefit plans)*

The Group provides supplementary pension benefits to certain retired employees, which is considered as defined benefit plans. The defined benefit plans obligation is calculated semiannually by independent actuaries using the projected unit credit method. The Group's defined benefit plans include the following components: (i) Service cost include current year service cost, past-service cost and settlement gain or loss. Current year service cost means the increase of the value of defined benefit plans resulting from the current year service offered by employees. Past-service cost means the increase or decrease of the value of defined benefit plans resulting from the revision of the defined benefit plans related to the prior year service offered by employees. (ii) Interest costs of defined benefit plans payable. (iii) Changes related to the revaluation of defined benefit plans liabilities.

Unless other accounting standards require or permit to charge the employee benefits into assets cost, the Group charges (i) and (ii) mentioned above into profits or losses of the current year, and recognize (iii) mentioned above as other comprehensive income without charging into profits or losses in later accounting periods.

Part of subsidiaries of the Group provide medical benefits to the retired employees. The costs of benefits are determined using the same accounting policies with defined benefit plans.

(4) *Termination benefits*

Liabilities arising from termination benefits and staff early retirement plan are recognized after the specific termination clauses are agreed or passed to the employee. The Group should recognize the employee benefits liabilities related to the compensation of the employment termination and charge to profit or loss at the earlier of the time when (i)The Group cannot withdraw from the compensation plan of the employment termination by itself and (ii)The Group recognizes the costs or expenses of the reorganization involving the compensation of termination. When the Group offers some compensation plans to encourage the employees to accept the termination of the labor relationship voluntarily, the termination benefits are recognized based on the expected number of employees who are willing to take the compensation plans. The specific terms of the termination and early retirement plans varies according to the occupation, seniority and location etc.

The Group provides early retirement benefits to employees who are willing to retire voluntarily. Early retirement benefits refer to wages and social security fees the Group pays to employees who retired earlier voluntarily with the approval of the management. Early retirement benefits are recognized in the period in which the Group has entered into an agreement with the employee specifying the terms of redundancy, or after the individual employee has been advised of the specific terms. The accounting treatments of early retirement benefits are referring to termination benefits. From the date on which the termination benefit requirements are fulfilled, the Group recognizes monthly paid salaries and social benefits for these early retirees during the period from the date of early retirement to the normal retirement date as employee benefits payable and charges in profit or loss of the current year.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the settlement date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows. The increase in the provision due to passage of time is recognized as interest expense.

If all or part of the provision settlements is reimbursed by third parties, when the realization of income is virtually certain, then the related asset should be recognized. However, the amount of related asset recognized should not exceed the respective provision amount.

At the balance sheet date, the carrying amount of provision should be re-assessed to reflect the best estimation then.

23. Other equity instruments

Perpetual bonds or other financial instruments issued by the Group are equity instruments if, and only if both conditions below are met:

- The instrument includes no contractual obligation: (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer;
- If the instrument will be or may be settled in the issuer's own equity instruments, and it is a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments.

The interest expenses or dividends of perpetual bonds or other financial instruments classified as equity instruments are treated as profit distribution of the Group. The repurchase or cancellation of these instruments is treated as a change in equity. The related transaction costs are deducted from equity.

24. Revenue from contracts with customers

The Group shall recognize revenue when the Group satisfies a performance obligation in the contract, that is when the customer obtains control over relevant goods or services. Control over the relevant goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods or services.

(1) Construction Contract

The construction contracts between the Group and customers usually include commitments for multiple goods and services such as construction design, equipment procurement, and construction and installation. As the Group needs to integrate the above-mentioned goods or services into a combination of outputs agreed upon in the contract and transfer them to customers, the Group will treat them as a single performance obligation as a whole.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue from contracts with customers (Continued)

(1) Construction Contract (Continued)

According to contract agreements, legal provisions, etc., the Group provides quality assurance for the assets constructed. For the assurance type quality assurance to ensure that the assets constructed meet the established standards to customers, the Group conducts accounting treatment in accordance with Note V, 22.

The Group will use the expected amount of consideration to be collected for the transfer of goods to customers as the transaction price, and determine it in accordance with the contract terms and past business practices. There are arrangements for early completion rewards in some contracts between our group and customers, forming variable consideration. The Group determines the best estimate of the variable consideration based on the most likely amount to occur, and includes the variable consideration in the transaction price to the extent that the cumulative recognized income is unlikely to be significantly reversed when the relevant uncertainty is eliminated, and re estimates are made on each balance sheet date.

The Group fulfills its performance obligations by providing construction services to customers. Construction contracts between the Group and customers usually include performance obligations for housing construction and infrastructure construction. As customers can control the assets under construction during the Group's performance process, the Group considers them as performance obligations to be fulfilled within a certain period of time, and recognizes revenue based on the performance progress, except for those where the performance progress cannot be reasonably determined. The Group determines the performance progress of providing construction services based on the cost incurred using the input method. When the progress of performance cannot be reasonably determined, if the Group expects to be compensated for the costs already incurred, revenue shall be recognized based on the amount of costs already incurred until the progress of performance can be reasonably determined.

(2) Contracts for sale of goods

The Group will use the expected amount of consideration to be collected for the transfer of goods to customers as the transaction price, and determine it in accordance with the contract terms and past business practices.

According to contract agreements, legal provisions, etc., the Group provides quality assurance for the products sold, which belongs to the category of quality assurance to ensure that the products sold meet established standards to customers. The Group conducts accounting treatment in accordance with Note V 22.

(3) Provide service contract

The Group fulfills its performance obligations by providing design services to customers. As the services provided by the Group during the performance process have an irreplaceable purpose, and the Group has the right to receive income from the accumulated performance portion completed so far throughout the entire contract period, the Group recognizes it as a performance obligation to be performed within a certain period of time, and recognizes income based on the performance progress, except for cases where the performance progress cannot be reasonably determined. The Group determines the performance progress of services provided based on completed or delivered products using the output method. When the progress of performance cannot be reasonably determined, if the Group expects to be compensated for the costs already incurred, revenue shall be recognized based on the amount of costs already incurred until the progress of performance can be reasonably determined.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Government grants

Government grants are transferred of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to it and the grant will be received.

If a government grant takes the form of a monetary asset, it is measured at the amount received or receivable. If a government grant takes the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognized immediately in profit or loss for the period. Government grants received by the Group related to routine activities are recognized in other income or as reductions in the related costs and expenses according to the economic nature of business; whereas government grants received by the Group other than those related to routine activities are recognized in non-operating income.

Government grants used for creating long-term assets by purchase, construction or other ways are recognized by the Group as the government grants related to assets, mainly including the investment subsidies for the purchase or construction of new equipment and other production infrastructure. Government grants related to assets of the Group will be recognized as deferred income and amortized to profit or loss for the current period on a reasonable and systematic basis over the useful life of the related assets.

The government grants related to income are those other than the ones related to assets. Government grants of the Group related to income mainly include scientific research subsidies. As they are mainly the compensation for related expenses of the enterprises, such government grants are recognized as the government grants related to income. The Group classifies government grants which are difficult to distinguish as the grants related to income on an entire basis. If the government grants related to income are compensation for related expenses or losses to be incurred in subsequent periods, they are recognized as deferred income, and will be recognized in profit or loss or used to offset with related costs and expenses for the period when related expenses or losses are recognized. If the government grants related to income are compensation for related expenses or losses already incurred, they are recognized immediately in profit or loss for the current period or used to offset related with costs and expenses.

If the preferential low-interest loans received by the Group is subject to the fact that the government finance authority allocates interest subsidy fund to the bank which thereafter issues loans to the Group at preferential low-interest rates, the Group recognizes such borrowing at an amount actually received and calculates the borrowing costs based on the principal and the preferential low-interest rates. If the preferential low-interest loans received by the Group is the interest subsidy fund to the Group directly from the government finance authority, the Group deducts the interest subsidy from related borrowing costs.

Repayment of government grants should be applied first against any unamortized deferred income in respect of the grants. To the extent that repayment exceeds any such deferred income, or when no deferred income exists, the repayment should be recognized immediately in profit or loss for the current period.

26. Deferred tax

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

All taxable temporary differences are recognized as related deferred tax liabilities under normal circumstances. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Deferred tax (Continued)

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized. However, for deductible temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a single transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, and in which the initial recognition of assets and liabilities does not result in temporary differences of equal amount, no deferred tax asset or liability is recognized. At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously and in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

27. Lease

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(1) The Group as the lessee

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead accounts for the lease component and any associated non-lease components as a single lease component for contracts containing leases for buildings and structures, machinery and equipment, and transportation vehicles.

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For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Lease (Continued)

(1) The Group as the lessee (Continued)

Except for short-term leases and leases of low value assets, the Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset provided by the lessor is available for use). Right-of-use assets are measured at cost which includes:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

If a re-measurement of the lease liability occurs after the commencement date of the lease, the book value of the right-of-use assets shall be adjusted accordingly.

The Group depreciates the right of use assets in accordance with the relevant depreciation requirements of the Accounting Standards for Business Enterprises No. 4 – Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group determines whether the right of use assets are impaired and accounts for the identified impairment loss based on the Accounting Standards for Business Enterprises No. 8 – Impairment of Assets. If the recoverable amount of the right-of-use asset is estimated to be less than its carrying amount, the carrying amount of the asset will be reduced to its recoverable amount (Note V19).

The refundable rental deposits paid by the Group are measured at fair value in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. The differences between the fair value and the nominal value at the time of initial recognition are considered as an additional lease payments and included in the cost of the right-of-use assets.

Except for short-term leases and leases of low value assets, at the commencement date of the lease, the Group recognizes and measures the lease liabilities at the present value of lease payments that are unpaid at that date.

Lease payments refer to the payments made by the Group to the lessor for the lessee's right to use the leased asset over the lease term and include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate;
- amounts expected to be paid under residual value guarantees.

Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date. Variable lease payments that are not included in the measurement of lease liabilities are recognized in profit or loss or the cost of underlying assets in the period in which they occur.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Lease (Continued)

(1) *The Group as the lessee (Continued)*

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liabilities are remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The lease payments change due to changes in expected payment under a guaranteed residual value or a change in an index or a rate used to determine those payments, in which cases the related lease liabilities are remeasured by discounting the revised lease payments using the initial discount rate.

Lease liabilities are presented as “current liabilities” and “non-current liabilities” based on their liquidity at the balance sheet. The closing balance of non-current lease liabilities due within 1 year from the balance sheet date is reflected under the line item of “non-current liabilities due within 1 year”.

For short-term leases and leases of low-value items to which the recognition exemption is applied by the Group, right-of-use assets and lease liabilities are not recognized. A short-term lease refers to a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a purchase option. A lease of low value asset refers to a single lease asset, when new, is of low value. Lease payments on short-term leases and leases of low-value assets are recognized in profit or loss or the cost of underlying assets on a straight-line basis over the lease term.

(2) *The Group as the lessor*

Where a contract contains both lease and non-lease components, the Group allocates the consideration of the contract in accordance with the provisions of the revenue standards on allocation of transaction price. The basis of the allocation is the respective stand-alone selling price of lease component and non-lease component.

The Group classifies the lease into financing lease and operating lease on the start date of the lease. Financial lease refers to a lease that essentially transfers almost all the risks and rewards related to the ownership of leased assets. Its ownership may or may not be transferred eventually. Operational lease refers to the leases other than financial leases.

During the periods within the lease term, the Group recognizes the lease receipts from operating lease as rental income. The initial direct costs incurred by the Group to obtain the operating lease are capitalized when they are incurred, and are allocated over the lease term on the same basis of recognition of rental income, and are included in profit or loss by stages.

The Group does not reassess the classification of leases after the start of the lease unless there is a modification in the lease. The Group shall not reassess the classification of leases if the estimated useful life and expected residual value of leased assets change or the lessee defaults.

The lease deposits received by the Group that shall be refunded are measured at fair value at the time of initial recognition in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. The difference between the fair value and the nominal value at the time of initial recognition shall be considered as the additional lease payments from the lessee.

The variable lease receipts obtained by the Group from operating lease but not included in the lease receivables are included in profit or loss when they incur.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Other significant accounting policies and accounting estimates

(1) *Distribution of dividends*

The cash dividend of the Company is recognized as a liability upon approval in the annual shareholders' meeting.

(2) *Safety production expenses*

Safety production expenses provided according to the regulations are included in costs of related products or profit or loss, and credited to the special reserve. When the expenditures are utilized, they should be offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognized as construction in progress. When the assets are ready for their intended use, a same amount should be offset against the special reserve and recorded as accumulated depreciation at the same time. The related fixed asset is not subject to any further depreciation in the subsequent periods.

(3) *Segment information*

The accounting policies of segment information are listed in Note XVI1 (1).

(4) *Significant accounting estimates and judgments*

As operating activities have inherent uncertainties, the Group need to make judgments, estimates and assumptions upon report items that cannot be accurately calculated in applying the above accounting policies. These judgments, estimates and assumptions are made based on historical experiences of the management of the Group, taking other related factors into consideration. The actual results may be different from the estimates of the Group.

The Group review the above judgments, estimates and assumptions periodically based on going concern. If the changes of accounting estimates only affect the current year, the influence amount is recognized in the current year. If the changes of accounting estimates affect both of the current year and the future period, the influence amount is recognized in the current year and the future period.

(a) **Important judgments in applying accounting policies**

The Group made some important judgments in applying accounting policies, which have significant influences on the amount of financial statements.

(i) **Equity instrument**

The issued perpetual bond has no maturity date. Since the Group has the right to defer interest payment and the option for redemption of perpetual bond. The Group has no obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer, the perpetual bond is classified as an equity instrument, which meets the qualifying to be recorded in Note V23 as equity instrument.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Other significant accounting policies and accounting estimates (Continued)

(4) Significant accounting estimates and judgments (Continued)

(a) Important judgments in applying accounting policies (Continued)

(ii) Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group consider how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

(iii) Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including the assessment of the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow and whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

(iv) Whether the Group has control over a structured entity

The Group has shares in a number of structured entities investing in infrastructure development. The Group mainly determines whether it actually controls a structured entity in accordance with Accounting Standard for Business Enterprises No. 33 – Consolidated Financial Statements. Where the Group has effective control, the Group includes the structured entity in the consolidated financial statements. Where the Group does not actually control the structured entity but exercises joint control with other parties or is only able to exert significant influence on the structured entity, the Group accounts for the structured entity as a joint venture or associated enterprise. Where the Group has neither actual control nor joint control over the structured entity and has no significant influence, the Group accounts for the structured entity in other non-current financial assets.

(v) Whether a contract is, or contains, a lease

The Group signed the lease agreement on equipment for some engineering construction projects. The Group believes that, based on the agreement, there is no identified asset, the supplier has the substantive right to substitute the underlying asset throughout the period of use. Therefore, the agreement does not contain a lease, and the Group treats it as acceptance of a service.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Other significant accounting policies and accounting estimates (Continued)

(4) Significant accounting estimates and judgments (Continued)

(b) The key assumptions and uncertainties used in accounting estimates

As at balance sheet date, the key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next 12 months are as below:

(i) Progress of performance of engineering construction contracts

The Group determines to use input method to measure the progress of income of engineering services contracts provided by the Group which require to be fulfilled in a certain period. Specifically, the Group determines progress of performance based on the proportion of accumulatively actual cost in estimated total cost. Because of the nature of the activity undertaken in engineering contracting services, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. In the contract progress, the management of the Group regularly reviews the transaction price and contract modification, contract costs in the budget prepared for each contract, the progress of the contracts performance and the accumulatively actual cost. If there are circumstances that there are changes in the transaction price, the contract costs in the budget or the progress of the contract performance, estimates are revised. These revisions may result in increasing or decreasing in estimated revenues or costs and are reflected in consolidated income statement in the current period.

(ii) Impairment of financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future.

(iii) Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Where the carrying amount of an asset or asset group is higher than its recoverable amount (i.e. the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from it), it is indicated that such asset or asset group is impaired. The fair value less costs to sell is determined with reference to the price in sales agreement or observable market price in arm's length transaction, adjusted for incremental costs that would be directly attributable to the disposal of the asset or asset group. When calculating the present value of expected future cash flows from an asset or asset group, the management shall estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in Note V 19.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Other significant accounting policies and accounting estimates (Continued)

(4) Significant accounting estimates and judgments (Continued)

(b) The key assumptions and uncertainties used in accounting estimates (Continued)

(iv) Useful lives of fixed assets, investment properties and intangible assets

The fixed assets, investment properties and intangible assets of the Group are depreciated or amortized over their expected useful lives. The Group periodically reviews the expected useful life of the underlying assets to determine the amount of depreciation and amortization expense to be included in each reporting period. The useful life of an asset is determined by the Group based on its past experience with comparable assets and in the light of anticipated technological changes. If there is a significant change to previous estimates, depreciation and amortization expenses are adjusted for future periods.

(v) Tax

The Company and its subsidiaries are subject to income taxes and other taxes in numerous jurisdictions in domestic provinces and certain overseas countries. The ultimate tax effect of many transactions has uncertainty during normal business activities. The Group shall make significant judgment on current year income tax and land appreciation tax provisions in different areas and districts. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current year income tax provisions in the periods in which the differences arise.

Deferred tax assets relating to certain temporary differences and tax losses are recognized as management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilized. In cases where the estimated amount differs from original estimation, the difference would influence the recognition of deferred tax assets in the period when the estimation changes. Deferred tax assets relating to certain temporary differences and tax losses should not be recognized if management considers it is not probable to utilize the deductible temporary differences or tax losses to deduct taxable income in future.

(vi) Retirement benefits

The Group establishes liabilities in connection with supplementary benefits paid to certain retired employees. The amounts of employee benefit expenses and liabilities are determined using various assumptions and conditions on discount rates, salary growth rates during retirement, medical expense growth rates, and other factors. Actual results that differ from the assumptions are recognized immediately and therefore affect recognized other comprehensive income in the period in which such differences arise. While management believes that its assumptions are appropriate, differences in actual experience or changes in assumptions may affect the other comprehensive income and balance of liabilities related to the supplementary employee retirement benefit obligations.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Interpretation 17 of Accounting Standards for Business Enterprises issued in 2023 requires supplementary disclosure of supplier financing arrangements in order to help users of financial statements assess the impact of supplier financing arrangements on liabilities, cash flows and liquidity risk exposure. As of 1 January 2024, the Group and the Company are not required to disclose relevant information of comparable periods in accordance with the transitional provisions.

Interpretation No.17 of Accounting Standards for Business Enterprises issued in 2023 stipulates that when dividing the liquidity of liabilities, whether the Group has a substantive right to defer the settlement of liabilities to more than one year after the balance sheet date shall be considered, which is not affected by the subjective possibility of whether the Group exercises the right. For loan arrangements with contractual conditions, it is necessary to judge whether there is a right to postpone the settlement of liabilities on the balance sheet date according to different circumstances: contractual conditions that need to be satisfied on and before the balance sheet date affect the liquidity division of liabilities; The contractual conditions to be satisfied after the balance sheet date do not affect the liquidity classification of liabilities. If the terms of a liability cause the Group to settle the liability by delivering its own equity instruments at the option of the counterparty, the terms do not affect the liquidity classification of the liability if the Group classifies the option as an equity instrument and recognises it separately as an equity component of a composite financial instrument. The application of the above provisions has no significant impact on the financial statements of the Group and the Company for the current and comparative periods.

Interpretation No.17 of Accounting Standards for Business Enterprises issued in 2023 stipulates that the subsequent measurement of right-of-use assets and lease liabilities arising from sale and leaseback transactions in which the transfer of assets is a sale shall comply with the general requirements for the subsequent measurement of right-of-use assets and lease liabilities respectively. When subsequently measuring the lease liability arising from the sale and leaseback, the method of determining the lease payment or the lease payment after the change shall not lead to the recognition of the gain or loss related to the right of use obtained by the leaseback; If the scope of the lease is reduced or the lease term is shortened due to the lease change, the gains or losses related to the partial or complete termination of the lease shall be included in the current profit and loss for the right-of-use assets and lease liabilities in accordance with the general requirements of the current lease standards. For sale and leaseback transactions in which the transfer of assets is a sale, the Group originally determined the part related to the right to use obtained through leaseback, without considering the variable lease payments that do not depend on the index or ratio, and the application of the above provisions has no significant impact on the financial statements of the Group and the Company in the current and comparative periods

(2) Changes in significant accounting estimates

During the reporting period, there were no significant changes in accounting estimates.

VI. TAXATION

1. Major categories of taxes and respective tax rates

Category of tax	Basis of tax computation	Tax rates
Value-added tax ("VAT")	VAT payable (VAT is imposed on the taxable sales amount multiplied by the tax rate (output-VAT) less deductible input-VAT of the current year)	3%, 5%, 6%, 9% and 13%
City maintenance and construction tax ("CCT")	Payment for VAT	1%, 5% and 7%
Education surcharges	Payment for VAT	3%
Enterprise income tax	Taxable income	25% ("EIT")
Land appreciation tax	Appreciation amount on the transfer of real estate	30% to 60%

The Company and the subsidiaries, except some established onshore that enjoy preferential tax policies, are subject to corporate income tax at 25% of their taxable income.

Offshore subsidiaries of the Company (including those established in Hong Kong SAR of China) are subject to the taxes at the tax rates stipulated by tax regulations of respective jurisdictions.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VI. TAXATION (CONTINUED)

2. Tax incentive

The preferential policies on corporate income tax enjoyed by the main entities of the Group are summarized as follows:

Company name	Preferential tax rate		Preferential policies on corporate income tax
	Amount for the year ended 31 December 2024	Amount for the year ended 31 December 2023	
Shanghai Baoye Group Corp. Lt	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
China First Metallurgical Group Co. Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
China Second Metallurgy Group Corp. Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
China MCC3 Group Corp. Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises
China MCC5 Group Corp. Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
China MCC17 Group Co. Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises
China MCC19 Group Corp. Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses, additional deduction for payroll expenses of disabled employees
China MCC20 Group Corp. Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses, additional deduction for payroll expenses of disabled employees
China MCC22 Group Corp. Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
Central Research Institute of Building and Construction Co., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
MCC Capital Engineering & Research Incorporation Limited	15%	15%	Tax preferential policy for high-new technology enterprises
WISDRI Engineering & Research Incorporation Limited	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VI. TAXATION (CONTINUED)

2. Tax incentive (Continued)

The preferential policies on corporate income tax enjoyed by the main entities of the Group are summarized as follows: (Continued)

Company name	Preferential tax rate		Preferential policies on corporate income tax
	Amount for the year ended 31 December 2024	Amount for the year ended 31 December 2023	
Huatan Engineering & Technology Corporation, MCC	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
MCC Changtian International Engineering Co., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
Shen Kan Engineering & Technology Corporation, MCC	15%	15%	Tax preferential policy for high-new technology enterprises
Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC	15%	15%	Tax preferential policy for high-new technology enterprises
MCC TianGong Group Corporation Limited.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses, additional deduction for payroll expenses of disabled employees
MCC Baosteel Technology Services Co., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses, additional deduction for payroll expenses of disabled employees
MCC Communication Construction Group Co., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises
China Huaye Group Co., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises
MCC (Shanghai) Steel Structure Technology Corp., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
MCC Urban Investment Holding Co., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
MCC-SFRE Heavy Industry Equipment Co., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
MCC (Guizhou) Construction Investment Development Co., Ltd.	15%	15%	Tax preferential policy for high-new technology enterprises, additional deduction for R&D expenses
China Metallurgical Construction Engineering Group Co., Ltd.	15%	15%	Preferential taxation policies for the western development, additional deduction for R&D expenses

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Cash	5,045	5,675
Bank deposits	49,974,504	41,006,660
Other cash and bank balances	2,579,302	3,427,934
Total	52,558,851	44,440,269
Including: Total amount of offshore deposits	2,686,684	3,067,248

As at 31 December 2024, restricted cash and bank balances of the Group were RMB9,368,247,000 (As at 31 December 2023: RMB10,590,161,000) (Note VII 26) which mainly included bank deposits for issuing acceptance bills, guarantee deposits, frozen funds for lawsuit, funds under supervision for projects and deposits on wages for rural migrant workers, etc.

The Group's certain cash and bank balances deposited overseas are subject to the exchange control in relevant countries or regions and cannot be converted to foreign currencies freely or remitted out from these countries or regions. As at 31 December 2024, the proportion of the Group's cash and bank balances denominated in foreign currency deposited in these countries or regions to the balance of cash and bank balances in the Group's consolidated balance sheet was less than 2% (As at 31 December 2023: less than 1%).

2. Financial assets held for trading

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Financial assets at FVTPL Equity instrument investment	2,770	1,951
Including: Investment in listed stocks	1,509	1,313
Investment in unlisted equities	1,261	638

3. Derivative financial assets

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Currency swap contracts	–	12,676
Total	–	12,676

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Bills receivable

(1) Bills receivable analyzed by category

All amounts in RMB'000

Items	31 December 2024			31 December 2023		
	Book value	Provisions for credit losses	Carrying amount	Book value	Provisions for credit losses	Carrying amount
Bank acceptance bills	1,874,447	10,793	1,863,654	3,005,711	18,848	2,986,863
Commercial acceptance bills	3,041,744	59,347	2,982,397	2,650,169	53,328	2,596,841
Total	4,916,191	70,140	4,846,051	5,655,880	72,176	5,583,704

(2) The Group's pledged bills receivable

All amounts in RMB'000

Items	Pledged amount as at 31 December 2024
Bank acceptance bills	6,910
Commercial acceptance bills	22,113
Total	29,023

(3) The Group's bills receivable endorsed to other parties or discounted but not yet due at the balance sheet date

All amounts in RMB'000

Items	31 December 2024 Derecognized	31 December 2024 Not derecognized
Bank acceptance bills	–	1,481,573
Commercial acceptance bills	–	1,303,505
Total	–	2,785,078

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Bills receivable (Continued)

(4) Changes in provision for credit losses of bills receivable

All amounts in RMB'000

Item	31 December 2023	Provision for the current period	Reversal for the current period	31 December 2024
Provisions for credit losses of bank acceptance bills	18,848	10,793	(18,848)	10,793
Provisions for credit losses of commercial acceptance bills	53,328	59,347	(53,328)	59,347
Total	72,176	70,140	(72,176)	70,140

5. Accounts receivable

(1) Aging analysis of accounts receivable

The Group's accounts receivables are mainly receivables for engineering contracting business. The aging analysis is as follows:

All amounts in RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	156,691,694	95,681,657
1 to 2 years	39,475,287	20,939,601
2 to 3 years	14,596,663	12,579,164
3 to 4 years	10,052,992	5,857,627
4 to 5 years	5,167,408	3,868,099
Over 5 years	14,606,851	12,227,224
Total book value	240,590,895	151,153,372
Less: provisions for credit losses	27,077,170	21,116,108
Carrying amount	213,513,725	130,037,264

Settlement of trade receivables generated through engineering and construction services is made in accordance with terms specified in the contracts governing the relevant transactions, and the aging of relevant trade receivables is calculated based on the settlement time of the project.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivable

(2) Disclosed by method of determining provision for credit losses

All amounts in RMB'000

Category	31 December 2024					31 December 2023				
	Book value Amount	Ratio (%)	Provision for credit losses Amount	Ratio (%)	Carrying amount	Book value Amount	Ratio (%)	Provision for credit losses Amount	Ratio (%)	Carrying amount
Accounts receivable for which provision for credit losses is individually assessed	30,892,594	12.84	11,948,385	38.68	18,944,209	26,494,516	17.53	10,417,272	39.32	16,077,244
Accounts receivable for which provision for credit losses is collectively assessed on a portfolio basis	209,698,301	87.16	15,128,785	7.21	194,569,516	124,658,856	82.47	10,698,836	8.58	113,960,020
Total	240,590,895	100.00	27,077,170	/	213,513,725	151,153,372	100.00	21,116,108	/	130,037,264

(a) Accounts receivable for which provision for credit losses is individually assessed at the end of the year

All amounts in RMB'000

Name of entity	2024 31 December 2024 Provision			Reasons	2023 31 December 2023 Provision	
	Accounts receivable	for credit losses	Proportion of provision (%)		Accounts receivable	for credit losses (%)
Party 1	1,747,095	–	–	The Group considered the reasonable and supported information related to other party (including forward-looking information), then evaluated the anticipated credit losses and made provision for credit losses.	1,709,906	–
Party 2	1,555,781	566,940	36.44		1,514,999	566,940
Party 3	178,204	178,204	100.00		169,580	69,531
Others	27,411,536	11,203,242	40.87		23,100,031	9,780,801
Total	30,892,616	11,948,386	38.68	/	26,494,516	10,417,272

Note: For the evaluation on Party 1's expected credit losses, please refer to Note VII 10.(4).

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivable

(2) Disclosed by method of determining provision for credit losses

- (b) Accounts receivable for which provision for credit losses is collectively assessed on a portfolio basis at the end of the year

All amounts in RMB'000

Aging	31 December 2024		
	Estimated gross carrying amount at default	Expected lifetime credit losses	Proportion of provision (%)
Within 1 year	151,264,261	3,371,427	2.23
1 to 2 years	36,526,898	2,578,675	7.06
2 to 3 years	10,695,727	1,873,419	17.52
3 to 4 years	4,158,150	1,370,002	32.95
4 to 5 years	2,250,342	1,283,018	57.01
Over 5 years	4,802,923	4,652,244	96.86
Total	209,698,301	15,128,785	7.21

The Group considers the aging factor and groups accounts receivable accordingly. The Group determines the expected credit loss and provision for credit losses based on the historical experience of credit losses.

(3) Provision for credit losses of accounts receivable

All amounts in RMB'000

Item	31 December 2023	Changes for the year						other movement	31 December 2024
		Provision	Transfer-in	Reversal	Write-off	Transfer			
Provision for credit losses	21,116,108	6,716,771	1,276	(653,185)	(87,889)	(2,403)	(13,508)		27,077,170

The actual write-off amount during the year is RMB87,889 thousand.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivable (Continued)

(4) The five largest accounts receivable, contract assets, other non-current assets and long-term receivables collected by arrears at the end of the year:

All amounts in RMB'000

Name of entity	Balance of accounts receivable as at 31 December 2024	Balance of Contract assets as at 31 December 2024	Balance of Other non-current assets as at 31 December 2024	Balance of Long-term receivables as at 31 December 2024	Balance of accounts receivable, Contract assets, Other non-current assets and Long-term receivables as at 31 December 2024	As a percentage of accounts receivable, Contract assets, Other non-current assets and Long-term receivables (%)	Provision for bad debts of accounts receivable, Contract assets, Other non-current assets and Long-term receivables as at 31 December 2024
Party 1	5,841,211	4,136,504	57,346	301,448	10,336,509	2.10	532,715
Party 2	2,811,134	2,809,394	217,353	1,624,380	7,462,261	1.51	588,462
Party 3	1,748,932	3,845,868	–	–	5,594,800	1.13	1,393
Party 4	1,555,781	–	–	–	1,555,781	0.32	566,940
Party 5	907,342	1,651,917	119,173	–	2,678,432	0.54	59,000
Total	12,864,400	12,443,683	393,872	1,925,828	27,627,783	5.60	1,748,510

6. Receivables at FVTOCI

(1) Classification and presentation of receivables at FVTOCI

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Bank acceptance bills	5,906,055	9,076,735
Other credit instruments at fair value through other comprehensive income	2,690,998	2,054,593
Total	8,597,053	11,131,328

The Group recognizes impairment provision for receivables at FVTOCI on the basis of the expected credit loss. For the current year, there was no significant credit risk in financing with receivables upon evaluation. Therefore, the Group didn't make provision for credit impairment loss of the receivables at FVTOCI.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Receivables at FVTOCI (Continued)

(2) *Endorsed or discounted financing with receivables which were not due as at the balance sheet date are as follows:*

All amounts in RMB'000

Items	31 December 2024		31 December 2023	
	Derecognized	Not derecognized	Derecognized	Not derecognized
Bank acceptance bills	12,216,298	–	15,533,344	–
Other credit instruments at fair value through other comprehensive income	5,352,089	–	5,419,163	–
Total	17,568,387	–	20,952,507	–

7. Prepayments

(1) *Analysis by aging*

All amounts in RMB'000

Aging	31 December 2024		31 December 2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	17,351,284	76.12	24,058,890	72.64
1 to 2 years	2,445,316	10.73	5,649,833	17.06
2 to 3 years	1,545,328	6.78	1,702,190	5.14
Over 3 years	1,451,406	6.37	1,710,007	5.16
Total	22,793,334	100.00	33,120,920	100.00

As at 31 December 2024, prepayments aged over one year were RMB5,442,050,000 (As at 31 December 2023: RMB9,062,030,000), mainly including prepaid construction payments and payments for goods to sub-contractors.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Prepayments (Continued)

(2) The carrying amounts of the five largest prepayments at the end of the year

All amounts in RMB'000

Name of entity	Relationship with the Group	31 December 2024	As a percentage of total prepayments (%)
Party 1	Third party	759,938	3.33
Party 2	Third party	242,948	1.07
Party 3	Third party	194,490	0.85
Party 4	Third party	119,710	0.53
Party 5	Third party	97,949	0.43
Total	/	1,415,035	6.21

8. Other receivables

(1) Other receivables analyzed by category

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Dividend receivables	150,985	112,109
Other receivables	42,046,072	40,324,195
Total	42,197,057	40,436,304

(2) Dividend receivables

All amounts in RMB'000

The name of investee	31 December 2024	31 December 2023
Hebei Steel Luan County Sijiaying Iron Ore Co., Ltd.	111,605	42,734
Beijing New Century Hotel Co., Ltd	20,210	20,210
Tianjin MCC Heyuan Real Estate Co., LTD	17,096	17,096
Hebei Xiongan Zhi Tong Technology Co., LTD.	1,986	4,863
Tianjin MCC Jincheng Real Estate Co., LTD	—	11,794
Suzhou Chuanglian Electric Transmission Co., LTD	—	8,000
Chongqing Qianxin International Trading Co., Ltd.	—	5,168
Others	88	2,244
Total	150,985	112,109

As at 31 December 2024, dividends receivable aged over one year were 37,306,000 (31 December 2023: RMB17,096,000).

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(3) Other receivables

(a) Aging analysis

All amounts in RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	18,486,766	14,240,237
1 to 2 years	5,974,338	6,128,172
2 to 3 years	5,085,629	8,136,986
3 to 4 years	7,121,799	4,416,746
4 to 5 years	3,549,818	3,137,130
Over 5 years	12,476,253	13,799,303
Total book value	52,694,603	49,858,574
Less: provisions for credit losses	10,648,531	9,534,379
Carrying amount	42,046,072	40,324,195

(b) Other receivables categorized by nature

All amounts in RMB'000

Nature of other receivables	Book value on 31 December 2024	Book value on 31 December 2023
Deposits, guarantee funds	19,318,422	19,766,030
Advances	10,765,765	10,958,639
Loan receivables and current accounts	14,228,738	9,716,294
Receivables on disposal of investments	1,547,523	3,414,423
Reserves	137,257	281,480
Others	6,696,898	5,721,708
Total	52,694,603	49,858,574

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(3) Other receivables (Continued)

(c) Disclosed by method of determining provision for credit losses

2024

All amounts in RMB'000

Category	Outstanding balance		provision for credit losses		Carrying amount
	Amount	Ratio (%)	Amount	Provision ratio (%)	
provision for credit losses is individually assessed	26,519,387	50.33	5,994,358	22.60	20,525,029
provision for credit losses is collectively assessed on a portfolio basis	26,175,216	49.67	4,654,173	17.78	21,521,043
Total	52,694,603	100.00	10,648,531	/	42,046,072

2023

All amounts in RMB'000

Category	Outstanding balance		provision for credit losses		Carrying amount
	Amount	Ratio (%)	Amount	Provision ratio (%)	
provision for credit losses is individually assessed	25,524,799	51.19	5,396,587	21.14	20,128,212
provision for credit losses is collectively assessed on a portfolio basis	24,333,775	48.81	4,137,792	17.00	20,195,983
Total	49,858,574	100.00	9,534,379	/	40,324,195

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(4) Other receivables (Continued)

(c) Disclosed by method of determining provision for credit losses (Continued)

Other receivables for which provision for credit losses is individually assessed are as follows:

All amounts in RMB'000

Company	Outstanding balance	2024		Reason for provision	2023	
		provision for credit losses	Provision ratio (%)		Outstanding balance	provision for credit losses
Company 1	2,334,298	19,002	0.81	The Group assessed expected credit losses and made provision for credit losses based on reasonable and supportable information (including forward-looking information) available in relation to the counterparty	2,227,807	-
Company 2	1,962,098	257,127	13.10		1,802,893	173,302
Company 3	1,878,947	859,947	45.77		1,915,614	760,614
Company 4	1,255,013	67,863	5.41		1,256,374	-
Others	19,089,031	4,790,419	25.10	/	18,322,111	4,462,671
Total	26,519,387	5,994,358	22.60	/	25,524,799	5,396,587

At 31 December 2024, other receivables for which provision for credit losses is collectively assessed on a portfolio basis are as follows:

All amounts in RMB'000

Aging	Outstanding balance	provision for credit losses	Provision ratio (%)
Within 1 year	11,258,221	393,625	3.50
1 to 2 years	3,882,100	308,035	7.93
2 to 3 years	3,886,095	488,141	12.56
3 to 4 years	2,265,441	454,183	20.05
4 to 5 years	1,723,027	417,708	24.24
Over 5 years	3,160,332	2,592,481	82.03
Total	26,175,216	4,654,173	17.78

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(4) Other receivables (Continued)

(d) Provision for credit losses of other receivables

2024

All amounts in RMB'000

Items	Phase 1 Future 12-month expected credit losses	Phase 2 Lifetime expected credit losses (Non-credit- impaired)	Phase 3 Lifetime expected credit losses (Credit- impaired)	Total
Provision for credit losses at 31 December 2023	1,187,618	2,353,278	5,993,483	9,534,379
Transfer of opening balance for the current year	(165,822)	128,850	36,972	–
Provision for the current year	758,496	856,807	574,485	2,189,788
Reversal for the current year	(418,828)	(48,998)	(499,939)	(967,765)
Transferred-out for the current year	–	–	(121)	(121)
Write-off for the current year	–	–	(109,068)	(109,068)
Changes in scope of consolidation	(2,076)	(116)	(628)	(2,820)
Change of exchange rate	(35)	(787)	4,960	4,138
Provision for credit losses at 31 December 2024	1,359,353	3,289,034	6,000,144	10,648,531

(e) The five largest other receivables at the end of the current year

All amounts in RMB'000

Name of entity	Relationship with the Group	Nature of other receivables	Aging	Balance as at 31 December 2024	Provision for bad debts as at 31 December 2024	As a percentage of total other receivables (%)
Party 1	Joint venture	Loans to related	within 1 year, 1 to 4 parties years	2,334,298	19,002	4.43
Party 2	Third party	Government Compensation for policy-based relocation	within 1 year, 1 to 2 years and 3 to 5 years	1,962,098	257,127	3.72
Party 3	Associates	Loans to related parties, Guarantee funds	5 years	1,878,947	859,947	3.57
Party 4	Joint venture	Loans to related parties	within 1 year, 1 to 4 years	1,255,013	67,863	2.38
Party 5	Third party	Guarantee funds	3 to 4 years and over 5 years	1,215,000	57,589	2.31
Total	/	/	/	8,645,356	1,261,528	16.41

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories

(1) Categories of inventories

All amounts in RMB'000

Items	31 December 2024			31 December 2023		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Raw materials	2,023,906	25,376	1,998,530	2,440,668	26,094	2,414,574
Materials procurement	41,761	10	41,751	41,013	10	41,003
Outsourced processing materials	6,158	–	6,158	6,398	–	6,398
Work in progress	2,503,517	373,881	2,129,636	2,175,463	326,968	1,848,495
Finished goods	2,380,046	111,646	2,268,400	2,391,947	115,667	2,276,280
Turnover materials	436,320	1,211	435,109	499,575	1,014	498,561
Performance costs of contracts	85,617	–	85,617	95,871	–	95,871
Properties under development (a)	37,203,220	485,834	36,717,386	45,192,629	25,734	45,166,895
Completed properties held for sale (b)	34,296,303	2,385,756	31,910,547	29,244,038	1,516,601	27,727,437
Total	78,976,848	3,383,714	75,593,134	82,087,602	2,012,088	80,075,514

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

(1) Categories of inventories (Continued)

(a) Details of the properties under development

All amounts in RMB'000

Project name	Project Commencement date	Project Completion date	Estimated total investment amount	Book value on 31 December 2023	Book value on 31 December 2024
Nanjing Xiaguan Riverside Project	2011-01-01	2025-12-31	18,728,279	6,983,065	6,137,131
MCC Xinglong New City Hongshijun	2017-12-20	2027-12-31	8,812,613	4,179,577	4,283,860
Tiantai Road (Yangqiao Street) Project	2017-04-30	2025-12-30	7,408,770	2,995,665	2,883,191
Yanjiao Headquarters Base Project	2019-10-31	2025-09-30	3,278,780	1,997,154	2,261,179
Nanjing Yuhuatai District G35 project	2021-11-01	2025-11-30	4,409,273	3,647,601	1,962,248
MCC Tongluo Town	2014-11-01	2026-12-31	5,523,340	1,718,055	1,672,876
Baotou Dexian Mansion, Huafu (Note 1)	2021-01-28	2026-12-31	4,842,990	1,785,936	1,478,854
Shijiazhuang MCC Dexian Mansion	2021-08-29	2026-12-31	4,930,980	3,261,894	1,293,403
Zhongjie Mansion	2012-11-11	2025-12-31	1,605,830	1,276,182	1,282,516
Changchengshili Spring Breeze Town	2018-03-03	2025-12-31	2,500,000	1,097,773	1,171,273
Qin Hai Yun Villa Project	2011-08-08	2025-12-31	4,400,000	1,107,194	1,098,226
MCC Changyuanli Project	2022-07-01	2028-12-01	3,629,774	1,544,732	1,064,779
Qinhuangdao Yunding Dexian New City Project I	2018-12-31	2028-03-21	2,666,337	809,227	983,410
Shijiazhuang Zhaotuo Park Project	2019-03-01	2025-12-31	5,441,540	764,497	777,433
Qinhuangdao Fanhua Dexian New City Project II	2018-12-31	2028-03-21	2,823,800	733,180	769,169
Tangshan MCC Dexian Mansion	2022-03-15	2027-12-31	3,772,290	1,742,478	757,922
Minmetals Mingda Center, Minmetals Mingxin Center, No. 33 Local projects (Note 1)	2021-04-30	2026-12-31	2,170,647	651,242	740,539
Hebei Qinhuangdao Yudai Bay Project	2008-12-23	2025-12-31	3,675,070	596,711	710,264
MCC II Ruyijing	2024-03-01	2026-09-30	1,089,930	473,214	658,829
Land Reserve (Note 1)	-	-	573,708	-	573,708
Hebei Xiongan Mingzhuo Project	2022-07-29	2025-12-15	2,741,316	1,439,383	565,112
Qinhuangdao Dexian New Town Area 1	2023-07-14	2025-03-15	951,610	403,330	533,576
Qinhuangdao Dexian New Town Area 6	2024-03-01	2035-12-31	1,366,614	-	491,650
Meiyuan Garden (Note 1)	2020-12-27	2027-06-01	2,287,562	-	448,685
MCC Famous City Project	2022-03-10	2026-09-30	1,690,120	881,771	444,624
Wuhan City, Hubei Province – MCC Painting and Calligraphy Park	2023-06-30	2025-12-31	640,000	346,016	417,383
Qianhai Headquarter R&D Base Commercial properties of Southern R&D Center	2019-12-12	2025-06-30	3,382,174	346,906	372,156
Others	/	/	50,870,741	4,409,846	1,369,224
Total	/	/	156,214,088	45,192,629	37,203,220

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

(1) Categories of inventories (Continued)

(b) Completed properties held for sale

All amounts in RMB'000

Project name	Completion date	Book value on 31 December 2023	Increase in the current year	Decrease in the current year	Book value on 31 December 2024
Guangzhou Wanbao Project	2023-06-30	5,112,891	3,658	109,029	5,007,520
Guangzhou Changling Residence	2022-07-15	2,631,510	118,514	21,341	2,728,683
Qingdao MCC Dexian Mansion	2024-06-30	503,205	1,894,263	387,563	2,009,905
Hengqin Port Base Project	2019-11-08	1,869,685	19,357	1,135	1,887,907
Hangzhou Cuiyuan	2023-06-30	2,459,414	9,666	750,074	1,719,006
Zhongye Yijing Mansion	2022-04-13	1,658,003	27,382	60,313	1,625,072
Qin Hai Yun Villa Project	2022-06-23	1,338,410	2,606	57,596	1,283,420
Nanjing Yuhuatai District G35 project	2024-10-31	–	1,885,982	799,864	1,086,118
Shijiazhuang MCC DeXian Yu Mansion	2024-12-31	–	2,434,563	1,389,777	1,044,786
Hebei Xiongan Mingzhuo Project	2024-12-18	–	1,491,218	463,448	1,027,770
Nanjing Xiaguan Riverside Project	2021-09-26	988,702	–	55,638	933,064
Beijing Dexian Mansion	2023-12-29	962,308	491,634	538,324	915,618
Shijiazhuang Zhaotuo Park Project	2022-12-31	1,008,650	–	264,749	743,901
Baotou Dexian Mansion	2023-06-30	645,668	767,238	669,757	743,149
MCC Baizhishan International Holiday Park (Phase I)	2022-05-18	469,350	385,726	162,989	692,087
Tangshan MCC Dexian Mansion	2024-07-20	–	1,207,150	541,935	665,215
From Blossoms to Fruits Project (Note 1)	2024-12-31	–	1,154,837	556,823	598,014
Tianjin Xinbadali District Qixianli Project	2019-06-26	598,559	4,966	14,114	589,411
MCC Xinglong New City Hongshijun	2021-11-02	589,090	–	13,761	575,329
MCC Famous City Project	2024-09-30	–	724,321	172,791	551,530
Meiyuan Dongyuan Project (Note 1)	2024-08-01	–	1,057,944	518,425	539,519
Guanhu Phase I Project	2022-08-04	606,117	42,061	121,373	526,805
Tianjin Dexian Huafu	2022-03-31	460,992	47,904	–	508,896
Hong Kong Quanwan Qinglongtou Yijing	2020-10-06	547,511	–	75,617	471,894
MCC Changyuanli Project	2024-12-04	–	767,199	330,515	436,684
MCC Binjiang International City Phase 1 (Note 1)	2015-12-18	–	403,232	–	403,232
MCC Tongluo Town	2024-04-26	218,488	257,164	95,800	379,852
Shijiazhuang MCC Dexian Mansion Project	2019-06-18	355,106	5,785	27,992	332,899
Baotou MCC Campus South Road Community Project	2022-06-02	404,413	14,974	96,122	323,265
Changchengshili Spring Breeze Town	2022-10-31	228,486	62,621	–	291,107
Plot D-1, Gengyang New City	2021-12-31	311,346	24,699	98,137	237,908
MCC • Happy Chen	2022-06-27	320,402	4,333	103,678	221,057
Others (Note 1)	/	4,955,732	3,055,305	4,815,357	3,195,680
Total	/	29,244,038	18,366,302	13,314,037	34,296,303

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

(1) Categories of inventories (Continued)

Note 1: In the current year, the changes in the consolidation scope resulted in an increase in inventory of 2,704,494,000

Note 2: As at 31 December 2024, the capitalised amount of borrowing costs included in real estate development costs and development products was 8,438,822,000 (31 December 2023: 10,203,073,000). The amount of borrowing costs capitalized in the current year was 533,791,000 (2023: 660,252,000), and the capitalization rate used to determine the amount of borrowing costs capitalized was 2.75% to 5.98% (2023: 2.75% to 5.98%).

(2) Provision for decline in value of inventories

All amounts in RMB'000

Items	31 December 2023	Increase			Decrease			31 December 2024
		Provision	Transfer-in	Other Movements	Reversals	Write-offs	Transfer-out	
Raw materials	26,094	1,110	-	-	221	1,607	-	25,376
Materials procurement	10	-	-	-	-	-	-	10
Work in progress	326,968	57,649	-	-	-	10,736	-	373,881
Finished goods	115,667	23,476	-	-	-	27,497	-	111,646
Turnover materials	1,014	197	-	-	-	-	-	1,211
Properties under development	25,734	485,834	-	-	-	-	25,734	485,834
Completed properties held for sale	1,516,601	1,157,015	25,734	130,112	-	443,706	-	2,385,756
Total	2,012,088	1,725,281	25,734	130,112	221	483,546	25,734	3,383,714

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Contract assets

(1) Presentation of contract assets

All amounts in RMB'000

Items	31 December 2024			31 December 2023		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Contract assets interrelated with engineering contracting services	159,879,413	5,902,058	153,977,355	125,250,114	5,192,720	120,057,394
Contract assets interrelated with quality guarantee deposits	2,529,922	215,708	2,314,214	1,950,598	174,283	1,776,315
Total	162,409,335	6,117,766	156,291,569	127,200,712	5,367,003	121,833,709

(2) Disclosed by method of provision made for credit losses

All amounts in RMB'000

Category	31 December 2024					31 December 2023				
	Book value		Provision for impairment		Carrying amount	Book value		Provision for impairment		Carrying amount
	Amount	Ratio (%)	Amount	Ratio (%)		Amount	Ratio (%)	Amount	Ratio (%)	
Provision for impairment is made individually (a/)	12,398,013	7.63	2,467,078	19.90	9,930,935	12,094,321	9.51	2,398,232	19.83	9,696,089
Provision for impairment is made based on a combination of credit risk characteristics (b/)	150,011,322	92.37	3,650,688	2.43	146,360,634	115,106,391	90.49	2,968,771	2.58	112,137,620
Total	162,409,335	/	6,117,766	/	156,291,569	127,200,712	/	5,367,003	/	121,833,709

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Contract assets (Continued)

(2) Disclosed by method of provision made for credit losses (Continued)

- (a) Contract assets for which provision for impairment is made individually at the end of the year are as follows:

Category	31 December 2024			Reason for provision	31 December 2023	
	Book value	Provision for impairment	Ratio (%)		Book value	Provision for impairment (%)
Item 1	4,151,484	–	–	The Group assessed expected credit losses and made provision for credit losses based on reasonable and supportable information (including forward-looking information) available in relation to the counterparty	3,789,318	–
Others	8,246,529	2,467,078	29.92		8,305,003	2,398,232
Total	12,398,013	2,467,078	19.90	/	12,094,321	2,398,232

- (b) Contract assets for which provision for impairment is made based on a combination of credit risk characteristics at the end of the year are as follows:

All amounts in RMB '000

	Book value	Provision for impairment	Ratio (%)
Within 1 year	109,624,500	1,890,425	1.72
1 to 2 years	25,817,321	740,622	2.87
2 to 3 years	8,151,656	303,127	3.72
3 to 4 years	2,946,802	209,876	7.12
4 to 5 years	1,607,240	203,446	12.66
Over 5 years	1,863,803	303,192	16.27
Total	150,011,322	3,650,688	2.43

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Contract assets (Continued)

(3) Changes in provision for impairment of contract assets

All amounts in RMB '000

Item	31 December 2023	Provision for the current year	Reversal	Other changes	31 December 2024
Provision for impairment of assets	5,367,003	1,377,945	(645,407)	18,225	6,117,766

(4) West Australia SINO Iron Mining Project

In 2012, MCC Mining (Western Australia) Pty Ltd. ("Western Australia"), a wholly-owned subsidiary of the Group, was forced to postpone the SINO Iron Project, including six production lines in total, due to reasons such as extreme weather condition in Australia and other unpredictable reasons. The owner of the project is CITIC Limited. The Group negotiated with China CITIC Group Ltd. ("CITIC Group", the parent company of CITIC Limited) for the project delay and the total contract price after cost overruns. CITIC Group and Western Australia signed the Third Supplementary EPC Agreement of SINO Iron Project in Western Australia on 30 December 2011 agreeing that the construction costs to complete the second main process line including trial run should be within USD4.357 billion. The ultimate construction costs for the aforesaid project should be determined by an audit performed by a third-party auditor. Based on the consensus with CITIC Group above and the estimated total construction costs of the project, the Group recognized an impairment loss on contract costs of USD481 million (equivalent to approximately RMB3.035 billion) for the year ended 31 December 2012.

As of 31 December 2013, the first and the second production lines of the project were completed and put into operation. Western Australia and Sino Iron Pty Ltd. (a wholly-owned subsidiary of CITIC Limited) signed the Fourth Supplementary Agreement of SINO Iron Project in Western Australia dated 24 December 2013 for the handing over of the first and the second production lines of the project to CITIC Group at the end of 2013. As such, the construction, installation and trial running work set out in the EPC contract for the project entered into by Western Australia was completed. For the third to sixth production lines of the project, Western Australia and Northern Engineering & Technology Corporation, a subsidiary of the Company, has entered into the Project Management Service Agreement and Engineering Design and Equipment Procurement Management Technology Service Agreement, respectively, with CITIC Group for the provision of follow-up technology management services to CITIC Group. In addition, both the Group and CITIC Group have agreed to engage an independent third party to perform an audit of the total construction costs incurred for the project, the reasonableness of the construction costs incurred, the reasons for the project delay and the responsibility for the delay. Based on the final result of the audit, the Group and CITIC Group will make final settlement of the project.

The Group assessed the accounts receivable and the contract assets based on expected credit losses. In the opinion of the Group, although the final contract amount shall be confirmed after the auditing of the third party, the consensus between the Group and CITIC Group for the previously agreed construction costs of USD4.357 billion mentioned in the paragraph above remained unchanged. The Group reasonably expected that the consensus should not have any significant change and recognized no additional contract losses as at 31 December 2024.

On 31 December 2024, the accounts receivable for the above items amounted to RMB1,747,095,000, and the contract assets of the project mentioned above amounted to RMB4,151,484,000. After the completion of the audit mentioned above, the Group will actively follow up with CITIC Group for negotiation and discussion in reaching the final agreed project construction costs and make relevant accounting treatments accordingly.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Non-current assets due within one year

All amounts in RMB'000

Item	31 December 2024	31 December 2023
Long-term receivables due within 1 year (Note VII 13)	11,716,139	7,087,526
Total	11,716,139	7,087,526

12. Other current assets

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Input VAT to be deducted	8,312,461	6,724,568
Prepayments of tax	2,586,146	2,374,033
Pending treatment of foreclosed assets	758,880	1,274,185
Total	11,657,487	10,372,786

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables

(1) Long-term receivables

All amounts in RMB'000

Items	31 December 2024	31 December 2023	discount rate range
Long-term receivables on project	62,753,639	59,613,587	3.10%-5.00%
Long-term loans	5,556,732	431,347	3.60%
Receivables on disposal of equity investments	333,485	333,485	4.90%
Others	487,337	615,559	5.05%
Total book value	69,131,193	60,993,978	/
Less: Provisions for credit losses of long- term receivables	2,995,239	3,081,317	/
Total carrying amount	66,135,954	57,912,661	/
less: Long-term receivables due within 1 year, net	11,716,139	7,087,526	/
Long-term receivables due over 1 year, net	54,419,815	50,825,135	/

(2) Provision for credit losses of long-term receivables

As at 31 December 2024, changes in provision for credit losses based on the 12-month expected credit losses and expected lifetime credit losses on long-term receivables are as follows:

All amounts in RMB'000

Items	Phase 1 Future 12-month expected credit losses	Phase 2 Lifetime expected credit losses (Non-credit-impaired)	Phase 3 Lifetime expected credit losses (Credit-impaired)	Total
Provisions for credit losses at 31 December 2023	1,193,277	515,576	1,372,464	3,081,317
Transfer of opening balance for the current year	(37,320)	37,320	-	-
Provision for the year	351,252	164,135	16,277	531,664
Reversal for the year	(297,033)	(6,588)	(318,091)	(621,712)
Transfer-in	-	-	7,223	7,223
Transfer-out	(1,233)	-	-	(1,233)
Transfer	(2,020)	-	-	(2,020)
Provisions for credit losses at 31 December 2024	1,206,923	710,443	1,077,873	2,995,239

FINANCIAL STATEMENTS

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VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments

(1) Long-term equity investments

2024

All amounts in RMB'000

Name of investee	Carrying amount at 31 December 2023	Increase in investments	Decrease in investments	Share of profits/ (losses)	Movements for the current year			Declaration of cash dividends or profits	Changes in scope of consolidation	Others	Carrying amount at 31 December 2024	Provision for Impairment at 31 December 2024
					Comprehensive Income movements	Other Equity income						
I. Joint ventures												
Guizhou Ziwang Highway Construction Co., Ltd.	1,571,512	-	-	19,740	-	-	-	-	-	-	1,591,252	-
Guizhou Sanli Highway Construction Co., Ltd.	1,517,666	-	-	44,364	-	-	-	-	-	-	1,562,030	-
Guizhou Sanshi Highway Construction Co., Ltd.	839,511	-	-	49,553	-	-	-	-	-	-	889,064	-
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	627,863	-	-	(84,807)	-	-	-	-	-	105,931	648,987	-
Chongqing-Hunan Double-track Highway Co., Ltd.	588,820	55,660	-	-	-	-	-	-	-	-	644,480	-
Sichuan Development Guoye Construction Investment Co., Ltd.	374,368	-	-	14,053	-	-	-	-	-	-	388,421	-
Shiyan Baoye Urban Construction Co., Ltd.	307,721	-	-	-	-	-	-	-	-	-	307,721	-
Zhongshan Xiangshan Avenue Integrated Pipe Network Technology Co., Ltd.	290,548	-	-	(11,425)	-	-	-	-	-	-	279,123	-
Yinchuan Huaiyuan Road Integrated Pipe Network Construction and Management Co., Ltd.	244,658	-	-	1,164	-	-	-	-	-	-	245,822	-
Ningguo Baoye Urban Construction Co., Ltd.	217,847	-	-	12,222	-	-	-	-	-	-	230,069	-
Huanggang Lianlu Water Co., Ltd.	225,168	-	-	1,773	-	-	-	-	-	-	226,941	-
Others	3,407,536	313,416	-	13,593	-	(30,477)	(5,100)	(56,308)	(77,076)		3,565,584	219,720
Sub-total	10,213,218	369,076	-	60,230	-	(30,477)	(5,100)	(56,308)	28,855		10,579,494	219,720

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(1) Long-term equity investments (Continued)

2024

Name of investee	Carrying amount at 31 December 2023	Increase in investments	Decrease In investments	Share of profits/(losses)	Movements for the current year			Declaration of cash dividends or profits	Changes in scope of consolidation	Others	Carrying amount at 31 December 2024	Provision for Impairment at 31 December 2024
					Other Comprehensive Income	Other Equity income						
II. Associates												
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	1,048,256	62,059	-	(1,105)	-	-	-	-	-	-	1,109,210	-
Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd	1,018,369	40,000	-	2	-	-	-	-	-	-	1,058,371	-
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	1,000,560	-	-	-	-	-	-	-	-	-	1,000,560	-
Chongqing Yunkai Expressway Co., Ltd.	906,379	-	-	-	-	-	-	-	-	-	906,379	-
Beijing City Vice-Center Investment Fund Partnership (Limited Partnership)	872,412	-	-	2,434	-	-	-	-	-	-	874,846	-
Shijiazhuang Hengxi Highway Construction Management Co., Ltd	340,259	420,000	-	-	-	-	-	-	-	-	760,259	-
Tangshan Stainless Steel Co., Ltd.	665,484	-	-	756	-	(178)	-	-	-	-	666,062	-
Xiongan Xiongshang Real Estate Co., Ltd	603,637	-	-	468	-	-	-	-	-	-	604,105	-
Hebei Steel Group Luanxian County Sijaying Iron Mine Co., Ltd.	530,030	-	-	148,104	-	(10)	(102,581)	-	-	-	575,543	-
MCC Baoding Development and Construction Co., Ltd	575,053	-	-	78	-	-	-	-	-	-	575,131	-
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	539,758	-	-	19,650	-	-	-	-	-	-	559,408	-
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	244,638	163,090	-	-	-	-	-	-	-	-	407,728	-
Hunan Chachang Expressway Construction and Development Co., Ltd.	295,211	73,803	-	-	-	-	-	-	-	-	369,014	-
Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	359,879	-	-	20	-	-	-	-	-	-	359,899	-
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd	348,444	1,500	-	-	-	-	-	-	-	-	349,944	-
Gansu Gonghanglv Tongding Expressway Management Co., Ltd.	349,075	-	-	(635)	-	-	-	-	-	-	348,440	-
Handan Jinrong Development and Construction Co., Ltd	325,909	-	-	(105)	-	-	-	-	-	-	325,804	-
WISDRI(XINYU) COLD PROCESSING ENGINEERING Co., Ltd.	310,331	-	-	8,021	-	-	(1,800)	-	-	-	316,552	-
Tianjin Shenghe Real Estate Co., Ltd	-	310,000	-	-	-	-	-	-	-	-	310,000	-
Gansu Jingli Expressway Longnan Management Co., Ltd	278,637	21,629	-	-	-	-	-	-	-	-	300,266	-
Others	15,880,233	660,868	(143,779)	(100,584)	(1,168)	23,684	(24,336)	(954,146)	800,668		16,141,440	199,975
Sub-total	26,492,554	1,752,949	(143,779)	77,104	(1,168)	23,496	(128,717)	(954,146)	800,668		27,918,961	199,975
Total	36,705,772	2,122,025	(143,779)	137,334	(1,168)	(6,981)	(133,817)	(1,010,454)	829,523		38,498,455	419,695

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(2) Impairment test of long-term equity investments

Impairment test of long-term equity investments:

All amounts in RMB'000

Items	Provision for impairment at 31 December 2023	Increase	Decrease	Provision for impairment at 31 December 2024
I. Joint ventures				
Tianjin Zhongji Equipment Manufacture Co., Ltd.	154,830	–	–	154,830
Ningcheng Hongda Mining Co., Ltd.	64,890	–	–	64,890
Sub-total	219,720	–	–	219,720
II. Associates				
Tianjin Seri Machinery Equipment Corporation Ltd.	98,855	–	–	98,855
MCC Jingcheng (Xiangtan) Heavy Industry Equipment Co., Ltd	52,807	1,626	–	54,433
Qiqihar North MCC Real state Co., Ltd.	51,308	–	(51,308)	–
Inner Mongolia MCC Debang Real Estate Co., Ltd. Ltd.	23,168	–	–	23,168
MCC Xiangxi Mining Industry Co., Ltd.	14,586	–	–	14,586
Others	8,933	–	–	8,933
Sub-total	249,657	1,626	(51,308)	199,975
Total	469,377	1,626	(51,308)	419,695

As there are signs of impairment, the Company has conducted an impairment test on the related long-term equity investment. Where the recoverable amount is determined at fair value less cost to sell:

All amounts in RMB'000

Items	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and cost to sell	Key parameters	Determination basis of key parameters
Party 1	96,216	94,590	1,626	Asset based Realizable value or	Financial statements of approach asset and liability	replacement cost of each the investee

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Investments in other equity instruments

(1) Investments in other equity instruments

All amounts in RMB'000

Items	Carrying amount at 31 December 2024	Carrying amount at 31 December 2023
Investments in non-trading equity instruments		
Including: Stock investments of listed companies	453,506	311,611
Equity investments of unlisted companies	1,244,781	814,533
Total	1,698,287	1,126,144

Since these investments are non-tradable equity instruments and the Group is not expected to sell them in the foreseeable future, the Group designates these investments as financial assets at fair value through OCI. The method for determining the fair values of investments in other equity instruments can be found in Note XII.

All amounts in RMB'000

Item	Gains recognised in other comprehensive income for the year	Losses recognised in other comprehensive income for the year	Accumulated losses recognised in other comprehensive income	Dividend income for the year	Reason for designation at fair value through other comprehensive income
Investments in non-trading equity instruments					
Including: Stock investments of listed companies	100,097	(227)	8,376	15,877	Non-trading
Equity investments of unlisted companies	34,729	(11,431)	(29,568)	5,393	Non-trading
Total	134,826	(11,658)	(21,192)	21,270	/

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Investments in other equity instruments (Continued)

(2) Derecognition of investments in other equity instruments

Other equity instruments derecognised during the year are as follows:

All amounts in RMB'000

Item	Fair value upon derecognition	Accumulated gains transferred to retained earnings upon derecognition	Accumulated losses transferred to retained earnings upon derecognition	Reason for derecognition
Stock investments of listed companies	423	236	–	Disposal
Investments in equity instruments not held for trading				
Including: Investments in listed stocks	2,359	–	(4,731)	Disposal
Total	2,782	236	(4,495)	/

16. Other non-current financial assets

All amounts in RMB'000

Items	Carrying amount at 31 December 2024	Carrying amount at 31 December 2023
Financial assets at FVTPL		
Including: Investment in unquoted fund products and trust products	4,577,849	3,801,405
Others	297,720	191,190
Total	4,875,569	3,992,595

Several subsidiaries of the Company were involved in structured entity arrangements. They invested in joint ventures and associates indirectly by purchasing funds and trusts. Relevant investments are measured at fair value through profit or loss. For further information, please refer to Note IX 4.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Investment properties

(1) Investment properties with cost model

All amounts in RMB'000

Items	Buildings and structures	Land use rights	Total
I. Total original book value			
1. 31 December 2023	9,269,295	653,736	9,923,031
2. Increase	589,932	21,593	611,525
(1) Purchased or constructed	103,449	–	103,449
(2) Transferred from fixed assets	23,667	–	23,667
(3) Transferred from inventories	433,103	–	433,103
(4) Transferred from intangible assets	–	17,328	17,328
(5) Changes of the scope of consolidation	9,777	–	9,777
(7) Debt restructuring acquisition	11,121	–	11,121
(8) Others	8,815	4,265	13,080
3. Decrease	36,758	17,195	53,953
(1) Disposal	24,981	–	24,981
(2) Transferred to fixed assets	4,509	–	4,509
(3) Transferred to inventories	–	17,195	17,195
(4) Change of exchange rate	7,002	–	7,002
(5) Others	266	–	266
4. 31 December 2024	9,822,469	658,134	10,480,603
II. Accumulated depreciation and amortization			
1. 31 December 2023	1,494,933	201,567	1,696,500
2. Increase	253,160	24,276	277,436
(1) Provision	242,014	13,916	255,930
(2) Transferred from fixed assets	9,680	–	9,680

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Investment properties (Continued)

(1) Investment properties with cost model (Continued)

All amounts in RMB'000

Items	Buildings and structures	Land use rights	Total
(3) Transferred from intangible assets	–	6,094	6,094
(4) Others	1,466	4,266	5,732
3. Decrease	9,486	9,178	18,664
(1) Disposal	4,305	–	4,305
(2) Transferred to fixed assets	4,323	–	4,323
(3) Transferred to inventories	–	9,178	9,178
(4) Others	858	–	858
4. 31 December 2024	1,738,607	216,665	1,955,272
III. Provision for impairment			
1. 31 December 2023	206,141	–	206,141
2. Increase	87	–	87
(1) Change of exchange rate	87	–	87
3. Increase	1,665	–	1,665
(1) Provision	1,665	–	1,665
4. 31 December 2024	204,563	–	204,563
IV. Total carrying amount			
1. 31 December 2024	7,879,299	441,469	8,320,768
2. 31 December 2023	7,568,221	452,169	8,020,390

(2) Investment properties without certificates of title

Investment properties of which certificates of title have not been obtained:

All amounts in RMB'000

item	Carrying amount	Reasons for title certificates outstanding
Buildings and structures	276,298	In the process

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Fixed assets

(1) Changes in fixed assets

All amounts in RMB'000

Items	Buildings and structures	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
I. Total historical cost:					
1. 31 December 2023	30,605,289	20,895,659	2,241,878	4,659,909	58,402,735
2. Increase	1,342,607	1,284,078	140,031	304,746	3,071,462
(1) Purchase	319,609	450,174	113,540	207,542	1,090,865
(2) Transferred from investment properties	4,509	–	–	–	4,509
(3) Transferred from construction in progress	791,622	477,612	5,363	14,086	1,288,683
(4) Transferred from Inventories	87,628	–	–	–	87,628
(5) Changes of the scope of consolidation (Note VIII. 1)	–	168	1,951	555	2,674
(6) Changes of exchange rates	80,320	113,245	14,368	32,425	240,358
(7) Others	58,919	242,879	4,809	50,138	356,745
3. Decrease	786,737	1,610,111	253,075	201,085	2,851,008
(1) Disposal or write-off	503,590	1,592,234	140,099	162,956	2,398,879
(2) Transferred to investment properties	23,667	–	–	–	23,667
(3) Changes of the scope of consolidation	–	–	11	4	15
(4) Changes of exchange rates	3,249	2,003	2,364	2,136	9,752
(5) Others	256,231	15,874	110,601	35,989	418,695
4. 31 December 2024	31,161,159	20,569,626	2,128,834	4,763,570	58,623,189
II. Accumulated depreciation					
1. 31 December 2023	9,773,238	14,012,330	1,436,106	2,369,352	27,591,026
2. Increase	1,107,523	1,177,059	175,848	325,469	2,785,899
(1) Provision	1,036,295	1,011,379	169,876	299,658	2,517,208
(2) Transferred from investment properties	4,323	–	–	–	4,323
(3) Changes of exchange rates	30,083	82,805	3,900	9,315	126,103
(4) Others	36,822	82,875	2,072	16,496	138,265
3. Decrease	380,104	1,197,593	180,027	157,100	1,914,824
(1) Disposal or write-off	304,608	1,157,940	128,028	124,418	1,714,994
(2) Transferred to investment properties	9,680	–	–	–	9,680
(3) Changes of exchange rates	1,348	1,053	688	501	3,590
(4) Others	64,468	38,600	51,311	32,181	186,560
4. 31 December 2024	10,500,657	13,991,796	1,431,927	2,537,721	28,462,101

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Fixed assets (Continued)

(1) Changes in fixed assets (Continued)

All amounts in RMB'000

Items	Buildings and structures	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
III. Provision for impairment					
1. 31 December 2023	1,827,382	1,112,455	27,371	118,573	3,085,781
2. Increase	3,662	5,277	194	2,523	11,656
(1) Changes of exchange rates	3,662	5,277	194	1,714	10,847
(2) Others	–	–	–	809	809
3. Decrease	50,015	308,664	719	283	359,681
(1) Disposal or write-off	50,015	307,726	719	283	358,743
(2) Changes of exchange rates	–	129	–	–	129
(3) Others	–	809	–	–	809
4. 31 December 2024	1,781,029	809,068	26,846	120,813	2,737,756
IV. Total carrying amount					
1. 31 December 2024	18,879,473	5,768,762	670,061	2,105,036	27,423,332
2. 31 December 2023	19,004,669	5,770,874	778,401	2,171,984	27,725,928

(2) Temporary idle fixed assets

Temporary idle fixed assets as at 31 December 2024 are as follows:

All amounts in RMB'000

Items	Historical cost	Accumulated depreciation	Provision for impairment	Carrying amount	Notes
Buildings and structures	252,150	63,150	162,645	26,355	Idle or seasonal suspension
Machinery and equipment	129,626	21,520	100,193	7,913	Idle or seasonal suspension
Transportation vehicles and others	5,846	2,331	1,680	1,835	Idle or seasonal suspension

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Fixed assets (Continued)

(3) Fixed assets under operating leases

All amounts in RMB'000

Items	31 December 2024 Carrying amount
Machinery equipment and others	50,104

(4) Fixed assets of which certificates of title have not been obtained

Fixed assets of which certificates of title have not been obtained as at 31 December 2024 are as follows:

All amounts in RMB'000

Items	31 December 2024 Carrying amount	Reasons for title certificates outstanding
Buildings and structures	311,821	In the process

19. Construction in progress

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Construction in progress	5,432,730	3,772,581
Materials for construction	61,267	57,998
Total	5,493,997	3,830,579

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress (Continued)

Construction in progress

(a) Construction in progress

All amounts in RMB'000

Items	31 December 2024			31 December 2023		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Infrastructure Project of MCC JCL Anak Mining Co., Ltd.	1,468,613	–	1,468,613	1,299,973	–	1,299,973
Old Buildings of the Hutchison Whampoa Project	1,115,611	–	1,115,611	–	–	–
MCC Guangdong Shenzhen Qianhai Technology Building Project	944,229	–	944,229	792,348	–	792,348
Others	1,911,088	6,811	1,904,277	1,691,486	11,226	1,680,260
Total	5,439,541	6,811	5,432,730	3,783,807	11,226	3,772,581

(b) Changes of significant items of construction in progress

All amounts in RMB'000

Items	Budgeted amount	Carrying amount at 31 December 2023	Increase	Transfer to fixed assets/ intangible assets	Other transferred out	Carrying amount at 31 December 2024	Cost incurred as a percentage of budgeted amount (%)	Sources of funds
Infrastructure Project of MCC JCL Anak Mining Co., Ltd.	23,847,800	1,299,973	168,640	–	–	1,468,613	6.16	Self-financing
Old Buildings of the Hutchison Whampoa Project	1,394,514	–	1,115,611	–	–	1,115,611	80.00	Self-financing and loans from financial
MCC Guangdong Shenzhen Qianhai Technology Building Project	996,337	792,348	151,881	–	–	944,229	94.77	Self-financing and loans from financial institutions
Others	11,064,643	1,691,486	1,610,429	1,296,398	94,429	1,911,088	/	
Total	37,303,294	3,783,807	3,046,561	1,296,398	94,429	5,439,541	/	

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress (Continued)

Construction in progress (Continued)

(b) Changes of significant items of construction in progress (Continued)

As at 31 December 2024, impairment allowance of construction in progress accrued by the Group was nil (2023: nil). The provision for impairment of construction in progress of the Group amounted to RMB6,811,000 (As at 31 December 2023: RMB11,226,000).

During 2024, the capitalized interest for construction in progress totaled RMB59,826,000 (2023: RMB64,494,000), with a capitalization rate ranging from 2.80% to 6.64% (2023: 4.40% to 5.98%).

(3) *Materials for construction*

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Materials	18,430	14,346
Equipment	42,572	43,051
Tools and instruments prepared for production	265	576
Others	–	25
Total	61,267	57,998

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Right-of-use assets

(1) Right-of-use assets

All amounts in RMB'000

Items	Buildings and structures	Transportation vehicles	Machinery and equipment	Others	Total
I. Total historical cost					
1. 31 December 2023	1,227,091	33,514	263,746	73,609	1,597,960
2. Increase	225,904	464	2,759	65,343	294,470
(1) New leases	224,096	464	2,222	22,369	249,151
(2) Changes of the scope of consolidation (Note VIII 1)	1,181	–	–	–	1,181
(3) Changes of exchange rate	627	–	–	–	627
(4) Others	–	–	537	42,974	43,511
3. Decrease	366,357	3,417	74,428	21,533	465,735
(1) Disposal	317,862	671	65,770	20,629	404,932
(2) Changes of the scope of consolidation	486	–	1	367	854
(3) Others	48,009	2,746	8,657	537	59,949
4. 31 December 2024	1,086,638	30,561	192,077	117,419	1,426,695
II. Accumulated depreciation					
1. 31 December 2023	536,245	32,994	222,902	38,021	830,162
2. Increase	233,972	468	2,249	51,753	288,442
(1) Amortization	233,804	468	1,903	27,928	264,103
(2) Change of exchange rate	168	–	–	–	168
(3) Others	–	–	346	23,825	24,171
3. Decrease	201,581	3,417	37,876	16,946	259,820
(1) Disposal	172,225	671	29,219	16,378	218,493
(2) Change of exchange rate	228	–	–	222	450
(3) Others	29,128	2,746	8,657	346	40,877
4. 31 December 2024	568,636	30,045	187,275	72,828	858,784
III. Carrying amount					
1. 31 December 2024	518,002	516	4,802	44,591	567,911
2. 31 December 2023	690,846	520	40,844	35,588	767,798

For the current year, the Group's short-term leasing fee and assets with low value leasing fee, which are simplified and charged to current profits and losses, totaled RMB1,100,303,000.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Intangible assets

(1) Intangible assets

All amounts in RMB'000

Items	Land use rights	Mining rights	Franchise	Software	Trademark right	Patent and proprietary technology and others	Total
I. Total historical cost							
31 December 2023	7,962,770	4,269,710	18,237,865	1,118,894	270	329,285	31,918,794
Increase	282,199	123,619	11,588,813	110,372	-	348,983	12,453,986
Purchase	264,249	98,628	4,433,838	101,114	-	8,090	4,905,919
Transferred from construction in progress	-	-	-	7,715	-	-	7,715
Transferred from investment properties	17,195	-	-	-	-	-	17,195
Changes of the scope of consolidation	-	-	7,154,975	40	-	-	7,155,015
Change of exchange rate	755	24,991	-	169	-	158	26,073
Others	-	-	-	1,334	-	340,735	342,069
Decrease	33,768	231,896	245,147	46,425	-	375	557,611
Disposal or write-off	16,279	-	31,765	37,451	-	-	85,495
Transferred to investment properties	17,328	-	-	-	-	-	17,328
Change of exchange rate	161	175,571	-	-	-	276	176,008
Others	-	56,325	213,382	8,974	-	99	278,780
31 December 2024	8,211,201	4,161,433	29,581,531	1,182,841	270	677,893	43,815,169
II. Accumulated amortization							
31 December 2023	2,073,010	60,091	3,481,322	739,516	270	144,178	6,498,387
Increase	181,909	4,164	1,024,280	116,298	-	35,428	1,362,079
Provision	172,731	4,049	1,024,280	115,037	-	35,282	1,351,379
Transferred from investment properties	9,178	-	-	-	-	-	9,178
Change of exchange rate	-	115	-	129	-	146	390
Others	-	-	-	1,132	-	-	1,132
Decrease	12,665	-	30,964	36,520	-	20	80,169
Disposal or write-off	6,537	-	29,898	36,019	-	-	72,454
Transferred to Investment propertie	6,094	-	-	-	-	-	6,094
Change of exchange rate	34	-	-	-	-	5	39
Others	-	-	1,066	501	-	15	1,582
31 December 2024	2,242,254	64,255	4,474,638	819,294	270	179,586	7,780,297

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Intangible assets (Continued)

(1) Intangible assets (Continued)

All amounts in RMB'000

Items	Land use rights	Mining rights	Franchise	Software	Trademark right	Patent and proprietary technology and others	Total
III. Provision for impairment							
31 December 2023	51,920	2,513,875	-	250	-	4,508	2,570,553
Increase	427	-	-	-	-	-	427
Change of exchange rate	427	-	-	-	-	-	427
Decrease	128	175,571	-	-	-	-	175,699
Change of exchange Rate	128	175,571	-	-	-	-	175,699
31 December 2024	52,219	2,338,304	-	250	-	4,508	2,395,281
IV. Carrying amount							
31 December 2024	5,916,728	1,758,874	25,106,893	363,297	-	493,799	33,639,591
31 December 2023	5,837,840	1,695,744	14,756,543	379,128	-	180,599	22,849,854

As at 31 December 2024, the percentage of the internally developed intangible assets of the total intangible assets of the Group was 0.003% (as at 31 December 2023: 0.21%).

As at 31 December 2024, the accumulated impairment provision for the Cape Lambert Iron Project intangible assets amounted to RMB2,317,806,000, including the provision for the decrease of exchange fluctuation of Australian dollars of RMB233,171,000. The related intangible assets belong to the resource development segment.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Goodwill

(1) Change of original historical amount

All amounts in RMB'000

Name of investee	31 December 2023	Changes	31 December 2024
MCC Finance Corporation Ltd. (a)	105,032	(105,032)	–
Chengde Tiangong Construction and Design Co., Ltd.	33,460	–	33,460
MCC Minera Sierra Grande S.A.	12,939	(224)	12,715
China Metallurgical Construction Engineering Group Chongqing Heyuan Concrete Co., Ltd.	18,533	–	18,533
Qingdao JinZe HuaDi Real Estate Development Co., Ltd. (a)	9,779	(9,779)	–
Beijing HaiKe Real Estate Development Co., Ltd.	6,477	–	6,477
Beijing Tianrun Construction Co., Ltd.	5,142	–	5,142
Chengdu Yexingrunda New Building Materials Co., Ltd.	1,162	–	1,162
Shanghai WuGang Equipment Engineering Co., Ltd.	1,114	–	1,114
Shanghai Jingmin Real Estate Co., Ltd.	–	6,483	6,483
Sub-total	193,638	(108,552)	85,086
Less: Provision for impairment	143,563	(112,400)	31,163
Total	50,075	3,848	53,923

The Company acquired Shanghai Jingmin Real Estate Co., Ltd. in November 2024, resulting in goodwill of RMB6,483,000.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Goodwill (Continued)

(2) Provision for impairment of goodwill

All amounts in RMB'000

Name of investee	31 December 2023	Changes	31 December 2024
MCC Finance Corporation Ltd. (a)	105,032	(105,032)	–
MCC Minera Sierra Grande S.A.	12,939	(224)	12,715
Qingdao JinZe HuaDi Real Estate Development Co., Ltd. (a)	9,779	(9,779)	–
Beijing HaiKe Real Estate Development Co., Ltd.	6,477	–	6,477
China Metallurgical Construction Engineering Group Chongqing Heyuan Concrete Co., Ltd.	9,336	2,635	11,971
Total	143,563	(112,400)	31,163

- (a) MCC Finance Corporation Ltd. and Qingdao JinZe HuaDi Real Estate Development Co., Ltd. have been deregistered, and the original value of goodwill and impairment provisions have been written off.

When the Group performs impairment assessment on goodwill arising from business combination, the Group allocates the book value of goodwill to the asset group or portfolio that is expected to benefit from the synergistic effect of enterprise merger and evaluates the recoverable amount of the asset group or portfolio that contains the apportioned goodwill.

The recoverable value of the asset groups is calculated based on the present value of future cash flows which is approved by the management. The pre-tax discount rate of Chengde Tiangong Construction and Design Co., Ltd. is 5.42% (As at 31 December 2023: 5.10%). Cash flow projections during the forecast period for the asset groups are based on the expected growth rates and profit margins during the forecast period. Forecast growth rate is determined based on the expected growth rate of the industry. Forecast profit margin is determined based on past performance of the market and management's expectations. The recoverable value of the asset groups of the other subsidiaries is calculated based on the present value of future cash flows but is not significant to the Group.

23. Long-term prepayments

All amounts in RMB'000

Items	31 December 2023	Increase	Amortization	Other decreases	31 December 2024
Expenditure on improvement of leased assets	119,324	27,836	37,588	(1,364)	108,208
Repair expenditures	40,574	11,629	12,176	–	40,027
Insurance expenditures	4,974	5,662	6,788	(52)	3,796
Others	186,827	154,068	43,960	(87,475)	209,460
Total	351,699	199,195	100,512	(88,891)	361,491

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/deferred tax liabilities

- (1) *Deferred tax assets without taking into consideration the offsetting of balances within the same tax jurisdiction*

All amounts in RMB'000

Items	31 December 2024		31 December 2023	
	Deductible temporary difference/tax losses	Deferred tax assets	Deductible temporary differences/tax losses	Deferred tax assets
Impairment provision	43,572,459	7,413,743	35,740,754	5,731,323
Unrealized profit on inter-company transactions	2,586,917	596,388	2,259,770	502,826
Defined benefit plans	810,256	188,534	799,975	184,304
Accrued expenses	1,174,390	255,850	798,025	148,416
Lease liabilities	630,899	112,321	773,772	131,483
Deductible tax losses	1,386,548	243,003	703,126	117,863
Employee benefits payable	446,162	77,727	432,731	69,649
Changes in the fair values	277,478	48,659	327,104	55,594
Others	1,050,964	187,855	1,119,013	202,604
Total	51,936,073	9,124,080	42,954,270	7,144,062

- (2) *Deferred tax liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction*

All amounts in RMB'000

Items	31 December 2024		31 December 2023	
	Taxable Temporary differences	Deferred tax liabilities	Taxable Temporary differences	Deferred tax liabilities
Right-of-use assets	535,251	92,761	748,718	128,442
Fair value adjustments upon business combination not under common control	110,379	26,844	207,697	51,924
Changes in the fair value of investments of other equity instruments	294,868	46,444	170,999	26,393
Others	776,088	169,004	718,878	160,056
Total	1,716,586	335,053	1,846,292	366,815

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/Deferred tax liabilities (Continued)

(3) *Deferred tax assets and deferred tax liabilities presented on a net basis after offsetting*

All amounts in RMB'000

Items	31 December 2024		31 December 2023	
	The offset amount of deferred tax assets and liabilities	Deferred tax assets and liabilities after	The offset amount of deferred tax assets and liabilities	Deferred tax assets and liabilities after
Deferred tax assets	188,041	8,936,039	194,832	6,949,230
Deferred tax liabilities	188,041	147,012	194,832	171,983

(4) *Details of the Group's unrecognized deferred tax assets*

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Deductible temporary differences	20,078,195	18,940,562
Deductible tax losses	11,480,779	7,645,359
Total	31,558,974	26,585,921

(5) *Deductible tax losses that are not recognized as deferred tax assets will expire in the following years*

All amounts in RMB'000

Year	31 December 2024	31 December 2023
Within 1 year	652,758	1,179,816
1 to 2 years	685,920	986,465
2 to 3 years	1,918,845	1,204,886
3 to 4 years	1,813,642	2,168,867
More than 4 years	6,409,614	2,105,325
Total	11,480,779	7,645,359

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Contract assets for PPP project	7,458,935	2,383,158
Warranty deposit	14,116,043	10,190,139
Pending treatment of foreclosed assets	3,025,813	2,835,883
Prepayment for acquisition of self-use assets	551,393	59,851
Others	76,747	2,425
Total book value	25,228,931	15,471,456
Less: provisions for credit losses	849,829	728,993
Carrying amount	24,379,102	14,742,463

Changes in the provision for impairment of other non-current assets are as follows :

2024

Item	31 December 2023	Provision	Transfer-in	Reversal	Transfer-out	31 December 2024
Provision for credit losses	728,993	106,022	46,008	(7,608)	(23,586)	849,829

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Assets with title or right-of-use restrictions

2024

All amounts in RMB'000

Items	31 December 2024	Reasons
Cash and bank balances	9,368,247	Freeze/Regulated
Bills receivable	29,023	Pledge
Bills receivable	2,785,078	Endorsed or discounted
Accounts receivable	2,678,587	Pledge
Other receivables	1,962,098	Pledge
Long-term receivables	2,151,772	Pledge
Receivables at FVTOCI	311,689	Pledge
Inventories	13,740,863	Mortgage/Freeze
Investment properties	1,098,804	Mortgage/Freeze
Fixed assets	369,963	Mortgage/Freeze
Intangible assets	9,150,361	Mortgage/Pledge/Freeze
Other non-current assets	6,752,090	Pledge
Total	50,398,575	/

2023

Amortization of intangible assets used as collateral in 2024 amounted to RMB270,771,000 2023: RMB230,809,000).

All amounts in RMB'000

Items	31 December 2023	Reasons
Cash and bank balances	10,590,161	Freeze/Regulated
Bills receivable	162,134	Pledge
Bills receivable	3,168,609	Endorsed or discounted
Accounts receivable	1,789,846	Pledge
Other receivables	1,802,893	Pledge
Long-term receivables	1,986,905	Pledge
Receivables at FVTOCI	1,936,999	Pledge
Inventories	16,515,826	Mortgage/Freeze
Investment properties	1,183,969	Mortgage/Freeze
Fixed assets	381,539	Mortgage/Freeze
Intangible assets	4,341,980	Mortgage/Freeze
Other non-current assets	1,444,078	Pledge
Total	45,304,939	/

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Short-term borrowings

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Pledged loans (a)	212,218	161,316
Mortgaged loans (b)	612,863	700,654
Credit loans	33,028,755	27,358,311
Total	33,853,836	28,220,281

(a) As at 31 December 2024, the Pledged loans of RMB212,218,000 (as at 31 December 2023: RMB161,316,000) were secured by the Pledged of the Group's investment Accounts receivable in an aggregate carrying amount of RMB212,218,000 (as at 31 December 2023: RMB224,199,000).

(b) As at 31 December 2024, the mortgaged loans of RMB612,863,000 (as at 31 December 2023: RMB700,654,000) were secured by the mortgage of the Group's investment properties, intangible assets and fixed assets in an aggregate carrying amount of RMB816,998,000 (as at 31 December 2023: RMB1,029,110,000).

As at 31 December 2024, the Group had no significant maturity outstanding short-term borrowings.

28. Derivative financial liabilities

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Forward exchange contracts	2,988	18,413
Currency swap contracts	752,975	435,537
Total	755,963	453,950

29. Bills payable

All amounts in RMB'000

Category	31 December 2024	31 December 2023
Bank acceptance bills	27,838,085	29,881,702
Commercial acceptance bills	2,309,324	1,835,388
Total	30,147,409	31,717,090

As at 31 December 2024, the Group had no material maturities and outstanding notes payable.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Accounts payable

(1) Presentation of accounts payable

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Project fees	235,252,263	157,758,613
Purchases	69,380,250	58,948,809
Labor fees	24,921,867	19,005,437
Retention money	1,905,050	1,842,200
Design fees	665,277	523,730
Others	2,960,336	2,315,350
Total	335,085,043	240,394,139

(2) Aging analysis of accounts payable

All amounts in RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	258,934,577	183,907,341
1 to 2 years	45,451,153	31,403,823
2 to 3 years	14,764,244	12,250,222
Over 3 years	15,935,069	12,832,753
Total	335,085,043	240,394,139

On 31 December 2024, accounts payable of RMB76,150,466,000 aged over one year were mainly due to project and materials payable, as both parties remained business transactions and the amount has not been settled. On 31 December 2024, there are no significant accounts payable that are individually older than 1 year or overdue.

Our Group provides factoring services to its suppliers through commercial banks and the supply chain financial service platform offered by commercial banks. Under this arrangement, the bank agrees to purchase the accounts receivable owed by our Group to the designated suppliers, which arise from the suppliers' sales of goods or provision of services to our Group. Additionally, the bank provides financing services to the relevant suppliers. Suppliers can decide independently whether to participate in the factoring arrangement. Participating suppliers can receive advance payments from the bank. According to the agreements between our Group and the bank or the financial service platform, the related payables will be paid to the bank within 3 to 12 months after the platform issues digital certificates or the suppliers receive factoring financing disbursements. The payment terms between our Group and the suppliers have not been changed due to this reverse factoring arrangement, and our Group has not provided any guarantees to the bank.

At the end of this year, the balance of payables under this arrangement was RMB33,054,685,000 (2023: RMB28,131,222,000), of which RMB29,587,727,000 had already been received by the suppliers from the financing provider.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Accounts payable (Continued)

(2) Aging analysis of accounts payable (Continued)

Payment Due Date Ranges:

Item	Payment Due Date Range
Financial liabilities related to supplier financing arrangements	Within 3 to 12 months after the platform issues digital certificates or suppliers receive factoring financing disbursements
Comparable financial liabilities not related to supplier financing arrangements	5 to 180 days after invoice receipt or 1 to 12 months from the settlement date

During 2024, there were no significant business combinations, exchange differences, or other non-cash transactions related to these financing arrangements. Additionally, there were no non-cash reclassifications from payables to short-term borrowings.

31. Receipts in advance

(1) Presentation of receipts in advance

All amounts in RMB'000

Item	31 December 2024	31 December 2023
Lease receipts in advance Total	99,579	104,034
Total	99,579	104,034

In 2024, there are no significant receipts in advance that are individually older than one year and have no significant changes in carrying value.

32. Contract liabilities

(1) Presentation of Contract liabilities

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Contract liabilities relating to engineering contracting service contracts	51,306,585	54,115,408
Contract liabilities relating to pre-sales deposits	6,086,924	6,451,611
Contract liabilities relating to sales contracts	2,738,063	1,952,976
Contract liabilities relating to contracts of other customers	1,059,077	2,299,387
Total	61,190,649	64,819,382

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Contract liabilities (Continued)

(2) Contract liabilities analyzed by category

The contract liabilities of the Group mainly derives from engineering contracting service contracts, property sales contracts and sales contracts.

- (a) As presented in Note VII 10, the engineering contracting services provided by the Group require regular settlements with the customers. Under normal circumstances, there are some time differences among the implementation and settlement progress of the engineering contracting service contracts or the progress of receipt. As at 31 December 2024, the implementation progress of some engineering contracting service contracts lagged behind the settlement progress or receipt progress, which means the Group has acquired the contract consideration or the right to gain contract consideration unconditionally, thus forming the contract liabilities relating to engineering contracting services. For the year ended 31 December 2024, the Group recognized RMB54,115,408,000 in RMB42,381,478,000 of contract liabilities related to the engineering contracting service on 31 December 2023 as the engineering contracting income for the current year based on the performance of engineering contracting service contracts signed with clients, and the remaining amounts will be recognized when the Group performs its obligations for its clients in subsequent years.
- (b) Property sales contracts and the sales contracts of the Group are normally satisfied at a point in time. The Group will recognize revenue at the time of acquiring the control of the related goods. As at 31 December 2024, the implementation time of performance obligation of the Group in property sales contracts and the sales contracts were later than the payment time of the customers, thus forming the related contract liabilities of property sales contracts and the sales contracts.
- (c) Contract liabilities formed by receipt of property sales amount in advance

All amounts in RMB'000

Items	31 December 2024	31 December 2023	Pre-sale percentage (%)	Estimated completion date
Jinxiu Mansion	852,087	88,742	81.56	2025-12-31
Hengqin Port Mansion	804,103	818,099	/	Completed
Hebei Xiongan Mingzhao Project	504,279	39,085	29.07	2025-12-15
Hangzhou Cuiyuan	429,309	46	/	Completed
Qinhuangdao, Hebei – Yudaiwan project	409,658	309,832	99.56	2025-12-31
Chun Hua Qiu Shi	383,743	–	/	Completed
MCC Changyuanli Project	337,152	519,854	/	Completed
Plum Garden East	335,926	–	/	Completed
Dexian New City Project I	203,823	37,665	19.00	2025-3-15
South District of MCC ShengshiInternational Plaza	190,598	130,829	7.20	2025-9-30
Others	1,636,246	4,507,459		
Total	6,086,924	6,451,611		

In 2024, there are no significant contractual liabilities that are individually older than one year and have no significant changes in carrying value.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Employee benefits payable

(1) Employee benefits payable

All amounts in RMB'000

Items	31 December 2023	Increase	Decrease	31 December 2024
I. Short-term employee benefits	2,308,681	24,605,585	24,179,757	2,734,509
II. Post-employment benefits				
– defined contribution plan	229,414	3,988,299	3,961,786	255,927
III. Termination benefits	27,808	52,114	44,176	35,746
IV. Other benefits	58,174	2,115,559	2,109,870	63,863
Total	2,624,077	30,761,557	30,295,589	3,090,045

(2) Short-term employee benefits

All amounts in RMB'000

Items	31 December 2023	Increase	Decrease	31 December 2024
I. Salaries, bonuses, allowances and subsidies	948,575	18,938,435	18,597,622	1,289,388
II. Staff welfare	21,796	1,227,780	1,223,809	25,767
III. Social insurance premiums	32,804	1,852,174	1,839,982	44,996
Including: Medical insurance	30,453	1,689,258	1,678,582	41,129
Work-related injury insurance	2,216	127,974	127,100	3,090
Maternity insurance	135	34,942	34,300	777
IV. Housing provident funds	90,766	2,038,711	2,044,006	85,471
V. Labor union expenditures and employees' education expenses	1,214,740	548,485	474,338	1,288,887
Total	2,308,681	24,605,585	24,179,757	2,734,509

(3) Defined contribution plan

All amounts in RMB'000

Items	31 December 2023	Increase	Decrease	31 December 2024
1. Basic retirement insurance	96,279	2,750,114	2,742,492	103,901
2. Unemployment insurance	4,408	95,514	95,104	4,818
3. Supplementary pension	128,727	1,142,671	1,124,190	147,208
Total	229,414	3,988,299	3,961,786	255,927

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Employee benefits payable (Continued)

(3) Defined contribution plan (Continued)

The Group participated in the social insurance premiums plans set up by the government according to the regulations. According to the plan, the Group makes deposits into the plans according to the regulations. Other than the deposits mentioned above, the Group does not need to make any further payments. The corresponding expenses shall be charged to the profit and loss or the cost of related assets in the period as and when incurred.

For the current year, the Group made deposits amounting to RMB3,988,299,000 (for the year ended 31 December 2023: RMB3,858,203,000) to the defined contribution plans. As at 31 December 2024, there was a payable amount of RMB255,927,000 (as at 31 December 2023: RMB229,414,000).

34. Taxes payable

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Value added tax	742,020	544,394
Enterprise income tax	2,121,916	1,954,542
Individual income tax	344,699	456,292
City maintenance and construction tax	50,950	59,674
Education surcharges	35,825	39,604
Land appreciation tax	1,138,719	1,873,115
Others	537,876	381,014
Total	4,972,005	5,308,635

35. Other payables

All amounts in RMB'000

Categories	31 December 2024	31 December 2023
Interest payable	24,025	15,768
Dividends payable	1,238,350	1,012,864
Other payables	49,595,916	39,241,059
Total	50,858,291	40,269,691

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other payables (Continued)

(2) Interest payable

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Interests payable on short-term borrowings	23,253	14,853
Others	772	915
Total	24,025	15,768

As at 31 December 2024, the Group had no material outstanding interest payable.

(3) Dividends payable

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Interest on perpetual bonds classified as equity instrument	781,773	671,145
Other dividends	456,577	341,719
Total	1,238,350	1,012,864

On 31 December 2024, dividends aged over one year but not settled yet amounted to RMB198,271,000, relevant subsidiaries are discussing with the relevant shareholders for the payments schedule.

(4) Other payables

(a) Classification by nature

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Current accounts	33,989,190	17,880,541
Security deposits	13,587,846	14,950,524
Guarantee deposits	1,304,088	1,267,489
Others	5,654,235	5,142,505
Total	54,535,359	39,241,059

On 31 December 2024, other payables aged over one year of RMB12,120,265,000 (31 December 2023: RMB13,589,299,000) were mainly current accounts, security deposits and guarantees deposits payable collected by the Group. Since both parties remained business transactions, the amount has not been settled.

On 31 December 2024, there are no significant other payables with an aging of more than 1 year or overdue individually.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Non-current liabilities due within one year

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Long-term borrowings due within one year (Note VII 38)	12,960,588	7,266,992
Bonds payable due within one year (Note VII 39)	1,455,291	117,153
Lease liabilities due within one year (Note VII 40)	153,900	230,361
Long-term payables due within one year (Note VII 41)	282,773	100,233
Employee benefits payable due within one year (Note VII 42)	310,776	329,860
Total	15,163,328	8,044,599

37. Other current liabilities

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Amounts to be transferred to output VAT	33,474,309	26,862,565
Total	33,474,309	26,862,565

38. Long-term borrowings

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Pledged loans (a)	12,970,188	7,078,083
Mortgaged loans (b)	6,168,873	6,374,095
Guaranteed loans (c)	117,989	6,860
Credit loans	34,015,069	27,976,745
Total	53,272,119	41,435,783
Less: Long-term borrowings due within one year (Note VII 36)	12,960,588	7,266,992
Including: Pledged loans	1,323,461	679,369
Mortgaged loans	2,976,805	1,612,508
Guaranteed loans	—	6,860
Credit loans	8,660,322	4,968,255
Long-term borrowings due over one year	40,311,531	34,168,791

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term borrowings (Continued)

- (a) As at 31 December 2024, long-term borrowings of RMB12,970,188 (as at 31 December 2023: RMB7,078,083,000) were secured by the pledge of the Group's accounts receivable, other receivables, long-term receivables, other non-current assets and intangible assets in amount of RMB20,910,853 (as at 31 December 2023: RMB9,895,753,000).
- (b) As at 31 December 2024, long-term borrowings of RMB6,168,873,000 (as at 31 December 2023: RMB6,374,095,000) were secured by the mortgage of the Group's intangible assets, fixed assets, investment properties, inventories and other assets in amount of RMB15,100,136,000 (as at 31 December 2023: RMB15,282,895,000).
- (c) As at 31 December 2024, long-term borrowings of RMB117,989,000 were guaranteed by the third party (as at 31 December 2023: RMB6,860,000).

Maturity Date of long-term borrowings due over one year	31 December 2024	31 December 2023
1 to 2 years	11,321,041	14,117,972
2 to 5 years	11,326,548	12,019,939
Over 5 years	17,663,942	8,030,880
Total	40,311,531	34,168,791

For the year ended 31 December 2024, the weighted average interest rate of long-term borrowings was 3.70% per annum (for the year ended 31 December 2023: 3.90% per annum). As at 31 December 2024, the Group did not have any significant overdue long-term borrowings.

39. Bonds payable

(1) Bonds payable

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Corporate debentures	2,069,231	2,067,828
Non-public targeted bond financing instruments	1,337,227	1,349,325
Medium-term Notes	2,048,833	–
Total	5,455,291	3,417,153
Less: Bonds payable due within one year (Note VII 36)	1,455,291	117,153
Bonds payable due over one year	4,000,000	3,300,000

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Bonds payable (Continued)

(2) Details of bonds payable

For the year ended 31 December 2024, the movements of bonds payable as follows:

All amounts in RMB'000

Name of bonds	Face value	Issue date	Term	Issue amount	31 December 2023	Issued in the current year	Interest accrued based on face value	Repaid in the current year	31 December 2024
First public Corporate Bond of MCC Real Estate Group Co., Ltd. to Professional Investors in 2023 (a)	2,000,000	2023-03-16 to 2023-03-17	5 years	2,000,000	2,067,828	-	85,603	84,200	2,069,231
2022 first tranche of target bond financing instruments of MCC Real Estate Group Co., Ltd. (b)	1,300,000	2022-03-23 to 2022-03-24	3 years	1,300,000	1,349,325	280,000	50,172	342,270	1,337,227
Corporate debentures publicly issued by the Company in 2024 (first tranche) (c)	1,000,000	2024-02-21 to 2024-02-22	10 years	1,000,000	-	1,000,000	24,483	-	1,024,483
Corporate debentures publicly issued by the Company in 2024 (second tranche) (d)	1,000,000	2024-02-23 to 2024-02-26	10 years	1,000,000	-	1,000,000	24,350	-	1,024,350
Total	5,300,000	/	/	5,300,000	3,417,153	2,280,000	184,608	426,470	5,455,291

- (a) MCC Real Estate Group Co., Ltd., one of the Company's subsidiaries, issued corporate bonds to professional investors on a public issuance basis from 16 March 2023 to 17 March 2023 at an equal price with the face value of RMB2,000,000,000 with a term of five years from issuance and interest bearing at a fixed rate of 4.21%. Interest will be paid every year and principal will be paid upon maturity date. As at 31 December 2024, there was no default on the bonds.
- (b) MCC Real Estate Group Co., Ltd., one of the Company's subsidiaries, issued bond financing instruments on a non-public issuance basis from 23 March 2022 to 24 March 2022 at an equal price with the face value of RMB1,300,000,000 with a term of three years from issuance and interest bearing at a fixed rate of 4.79%. Interest will be paid every year and principal will be paid upon maturity date. The repurchase and resale amount of the debt financing instrument in the current period is RMB280,000,000. As at 31 December 2024, the annual interest rate of the debt has been lowered to 3.50%, there was no default on the bonds.
- (c) The Company issued corporate debentures on a public issuance basis from 21 February 2024 to 22 February 2024 at an equal price with the face value of RMB1,000,000,000 with a term of ten years from issuance and interest bearing at a fixed rate of 2.94%. Interest will be paid every year and principal will be paid upon maturity date. As at 31 December 2024, there was no default on the bonds.
- (d) The Company issued corporate debentures on a public issuance basis from 23 February 2024 to 26 February 2024 at an equal price with the face value of RMB1,000,000,000 with a term of ten years from issuance and interest bearing at a fixed rate of 2.92%. Interest will be paid every year and principal will be paid upon maturity date. As at 31 December 2024, there was no default on the bonds.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Lease liabilities

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Lease of buildings and structures	550,320	665,434
Other leases	26,281	66,272
Total	576,601	731,706
Less: Lease liabilities due within one year (Note VII 36)	153,900	230,361
Lease liabilities due over one year	422,701	501,345

All amounts in RMB'000

Maturity Date of lease liabilities	31 December 2024	31 December 2023
1st year after the balance sheet date	169,674	255,715
2nd year after the balance sheet date	128,783	160,915
3rd year after the balance sheet date	99,937	109,396
Subsequent years	249,804	304,619
Total minimum lease payments	648,198	830,645
Less: Unrecognized financing cost	71,597	98,939
Total lease liabilities	576,601	731,706

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Long-term payables

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Long-term payables	1,592,421	798,564
Special payables	32,237	38,405
Total	1,624,658	836,969
Less: long-term payables due within one year (Note VII 36)	282,773	100,233
Long-term payables due over one year	1,341,885	736,736

Long-term payables

i. Long-term payables disclosed by nature

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Housing maintenance fund	41,960	41,566
Amounts due to funds	376,858	376,858
Construction payables and quality guarantee deposits	833,660	2,060
Others	339,943	378,080
Total	1,592,421	798,564
Less: Long-term payables due within one year	282,773	94,633
Long-term payables due over one year	1,309,648	703,931

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Long-term payables (Continued)

Long-term payables (Continued)

- ii. Analysis of the maturity profile of long-term payables due over one year

All amounts in RMB'000

Maturity Date	31 December 2024	31 December 2023
1 to 2 years	373,989	115,531
2 to 5 years	491,140	146,195
Over 5 years	444,519	442,205
Total	1,309,648	703,931

Special payables

All amounts in RMB'000

Items	31 December 2023	Increase	Decrease	31 December 2024	Including: Amount due within one year
Special payables for water/ power/gas supply and property	26,946	–	4,531	22,415	–
Others	11,459	6,825	8,462	9,822	–
Total	38,405	6,825	12,993	32,237	–

Note: The Group has commenced the transfer of water/power/gas supply and property with the received special payables for water/power/gas supply and property aggregated to the special payables for settlement, in accordance with the Notice of Rewarding the Guidance on the Separation and Transfer of Water/Power/Gas Supply and Property in Residential Quarters for Employees of the State-owned Enterprises by State-owned Assets Supervision and Administration Commission of the State Council, the MoF from the General Office of the State Council (Guo Ban Fa [2016] No. 45), and the Management of Central Government Grants on the Separation and Transfer of Water/Power/Gas Supply and Property to Employees and Their Relatives of Central Enterprises (Cai Zi [2016] No. 38) and other related management documents.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Long-term employee benefits payable

(1) Long-term employee benefits payable

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Post-employment benefits -Net liabilities arising from defined benefit plans	3,751,124	3,727,813
Total	3,751,124	3,727,813
Less: Long-term employee benefits payable due within one year (Note VII 36)	310,776	329,860
Long-term employee benefits payable due over one year	3,440,348	3,397,953

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Long-term employee benefits payable (Continued)

(2) Movements in the defined benefit plans

All amounts in RMB'000

Items	2024	2023
I. Opening balance	3,727,813	3,859,784
II. Defined benefit costs recognized in profit or loss	91,467	141,360
1. Past service cost	2,433	31,088
2. Net interest expense	89,034	110,272
III. Defined benefit costs recognized in other comprehensive income	260,386	84,349
Actuarial gains	260,386	84,349
IV. Other movements	(328,542)	(357,680)
Benefits paid	(328,542)	(357,680)
V. Closing balance	3,751,124	3,727,813

The balance of RMB2,194,696,000 of defined benefit plan is a supplementary retirement benefit for employees who retired before 31 December 2007 and RMB1,556,428,000 is a supplementary retirement benefit for employees who retire before 31 December 2024. The retirement benefits received depend on the position, seniority, salary of the staff when the staff retires. The Group's supplementary retirement benefits obligation at the balance sheet date are calculated by an external independent actuary "Towers Watson Consulting (Shanghai) Co., Ltd." using projected unit credit actuarial cost method.

Defined benefits plan exposes the Group to various risks, mainly including the risk of change of interest rate of treasury bonds, inflation rate risk, and risk of the increase in life expectancy. The decrease of the interest rate of treasury bonds will increase the defined benefit plan obligations. The Group is of the view that the interest rate of treasury bonds will not have significant fluctuations in the future. The changes of inflation rate will have impact on the significant assumptions of the living costs of the underlying staff and dependents, and the growth rate of the staff medical expense reimbursements. The Group believes these risks are not significant. The increase of the life expectancy will increase the defined benefit plan obligations.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Long-term employee benefits payable (Continued)

(3) Significant actuarial assumptions and sensitivity analysis results for the defined benefit plans

The principal assumptions used for the purposes of the actuarial valuations on the balance sheet date are as below:

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Discount rate	1.75%	2.50%
Mortality rate	CLA CL5/CL6 up 3	CLA CL5/CL6 up 3
Annual growth rate of living cost for retirement staff and survivors	4.50%	4.50%
Annual growth rate of various employee medical expense reimbursement	8.00%	8.00%

The table below is a quantitative sensitivity analysis of the significant assumptions used:

2024

All amounts in RMB'000

Items	Increase (%)	Defined benefit plan obligation increase/ (decrease)	Decrease (%)	Defined benefit plan obligation increase/ (decrease)
Discount rate	0.25	(84,657)	0.25	88,566
Annual growth rate of living cost for retirement staff and survivors	1.00	9,837	1.00	(9,006)
Annual growth rate of various employee medical expense reimbursement	1.00	149,658	1.00	(123,134)

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Long-term employee benefits payable (Continued)

(3) Significant actuarial assumptions and sensitivity analysis results for the defined benefit plans (Continued)

2023

All amounts in RMB'000

Items	Increase (%)	Defined benefit plan obligation increase/ (decrease)	Decrease (%)	Defined benefit plan obligation increase/ (decrease)
Discount rate	0.25	(82,197)	0.25	85,894
Annual growth rate of living cost for retirement staff and survivors	1.00	10,600	1.00	(9,754)
Annual growth rate of various employee medical expense reimbursement	1.00	141,409	1.00	(116,450)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the balance sheet date. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The relevant plans recognised in profit or loss are as follows:

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Past service cost	2,433	31,088
Net interest expense	89,034	110,272
Net post-employment benefit costs	91,467	141,360
Charge to administrative expenses	2,433	31,088
Charge to finance expense	89,034	110,272
Total	91,467	141,360

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Provisions

All amounts in RMB'000

Items	31 December 2023	Increase	Decrease	31 December 2024
Pending litigations (a)	186,572	88,840	86,031	189,381
Product quality warranties (b)	12,114	12,924	13,201	11,837
Restoration, rehabilitation and environmental provision (c)	343,754	741	86,390	258,105
Onerous contract to be performed (d)	275,032	42,863	129,499	188,396
The separation and hand-over cost of "Special payables for water/power/gas supply and property" (e)	120,565	–	21,619	98,946
Others	139,201	246,916	128,835	257,282
Total	1,077,238	392,284	465,575	1,003,947

- (a) Because of the verdict of losing a lawsuit, the Group needed to bear the present obligations of the pending litigations, and that an outflow of resources would be required to settle these obligations and the amount had been reliably estimated.
- (b) According to the sales contract, the Group needed to bear the present obligations of the product quality warranties, and an outflow of resources would be required to settle this obligation and the amount had been reliably estimated.
- (c) According to the resource development contract, the Group needed to bear the present obligations of the restoration of the environment, and that an outflow of resources would be required to settle this obligation and the amount had been reliably estimated.
- (d) According to the onerous contract to be performed, the Group needed to bear the present obligations arising from the Group's payment for expected contract loss, and an outflow of economic benefits would be required to settle this obligation and the amount could be reliably estimated.
- (e) In accordance with the requirement of Guo Ban Fa [2016] No. 45, Cai Zi [2016] No. 38, and other related management documents, the Group shall bear the current obligation formed during the separation and hand-over of "Special payables for water/power/gas supply and property". An outflow of resources would be required to settle this obligation and the amount had been reliably estimated.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Deferred Income

All amounts in RMB'000

Items	31 December 2023	Increase	Decrease	31 December 2024
Government grants	948,172	196,231	202,613	941,790
Others	110,410	11,592	44,765	77,237
Total	1,058,582	207,823	247,378	1,019,027

45. Other non-current liabilities

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Land demolition compensation	–	380,000
Others	363,538	–
Total	363,538	380,000

46. Share Capital

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Unrestricted shares		
RMB ordinary shares	17,852,619	17,852,619
Foreign shares listed overseas	2,871,000	2,871,000
Total	20,723,619	20,723,619

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other equity instruments

All amounts in RMB'000

Name of outstanding financial instruments	31 December 2023		Increase		Decrease		31 December 2024	
	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount
Renewable Financing Instruments of Generali China Asset Management in 2019	/	3,000,000	–	–	/	–	/	3,000,000
Renewable Financing Instruments of Kunlun Trust in 2019	/	8,000,000	–	–	/	8,000,000	/	–
Renewable Financing Instruments of Zhongyuan Wealth Growth No. 1152	/	500,000	–	–	–	–	/	500,000
Tranche in 2021 No. 778 Renewable Financing Instruments of Barry Hengyi in 2021	/	500,000	–	–	/	500,000	/	–
No. 778 (02) Renewable Financing Instruments of Barry Hengyi in 2021	/	200,000	–	–	/	500,000	/	–
2021 MCC MTN001	2,000	2,000,000	–	–	2,000	2,000,000	–	–
2021 MCC MTN002	2,000	2,000,000	–	–	2,000	2,000,000	–	–
2021 MCC MTN003	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2021 MCC MTN004	500	500,000	–	–	500	500,000	–	–
2022 MCC MTN001	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2022 MCC MTN002	2,000	2,000,000	–	–	2,000	2,000,000	–	–
2022 MCC MTN003	1,300	1,300,000	–	–	–	–	1,300	1,300,000
2023 MCC MTN001	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN002	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN003	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN004	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN005	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN006	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN007	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN008	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN009	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN0010	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN0011	1,400	1,400,000	–	–	–	–	1,400	1,400,000
2023 MCC MTN0012	1,000	1,000,000	–	–	–	–	1,000	1,000,000
2023 MCC MTN0013	1,000	1,000,000	–	–	–	–	1,000	1,000,000

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other equity instruments (Continued)

Name of outstanding financial instruments	31 December 2023		Increase		Decrease		31 December 2024	
	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount
2024 MCC MTN003	—	—	2,000	2,000,000	—	—	2,000	2,000,000
2024 MCC MTN004	—	—	2,000	2,000,000	—	—	2,000	2,000,000
2024 MCC MTN005A	—	—	1,000	1,000,000	—	—	1,000	1,000,000
2024 MCC MTN005B	—	—	1,000	1,000,000	—	—	1,000	1,000,000
2024 MCC MTN006	—	—	2,000	2,000,000	—	—	2,000	2,000,000
2024 MCC MTN007	—	—	1,200	1,200,000	—	—	1,200	1,200,000
2024 MCC MTN008	—	—	2,000	2,000,000	—	—	2,000	2,000,000
2024 MCC MTN009	—	—	2,000	2,000,000	—	—	2,000	2,000,000
2024 MCC MTN010	—	—	2,000	2,000,000	—	—	2,000	2,000,000
2024 MCC MTN011	—	—	2,000	2,000,000	—	—	2,000	2,000,000
2024 MCC MTN012	—	—	1,200	1,200,000	—	—	1,200	1,200,000
Total	/	47,400,000	/	18,400,000	/	15,200,000	/	50,600,000

All amounts in RMB'000

Name of outstanding financial instruments	Issue date	Dividend rate or interest rate	Issue amount	Maturity date or renewal	Condition for share conversion	Conversion
Renewable Financing Instruments of Generali China Asset Management in 2019	2019-06-28, 2019-07-09	5.30%	3,000,000	Not yet due	None	No
Renewable Financing Instruments of Zhongyuan Wealth Growth No. 1152 Tranche in 2021	2021-12-29	4.95%	500,000	Not yet due	None	No
2021 MCC MTN003	2021-08-24 to 2021-08-25	3.50%	2,000,000	Not yet due	None	No
2022 MCC MTN001	2022-12-7 to 2022-12-8	4.18%	2,000,000	Not yet due	None	No
2022 MCC MTN003	2022-12-21 to 2022-12-22	4.12%	1,300,000	Not yet due	None	No
2023 MCC MTN001	2023-02-08 to 2023-02-09	3.57%	2,000,000	Not yet due	None	No
2023 MCC MTN002	2023-02-10 to 2023-02-13	3.52%	2,000,000	Not yet due	None	No
2023 MCC MTN003	2023-02-15 to 2023-02-16	3.45%	2,000,000	Not yet due	None	No
2023 MCC MTN004	2023-02-17 to 2023-02-20	3.52%	2,000,000	Not yet due	None	No
2023 MCC MTN005	2023-03-08 to 2023-03-09	3.37%	2,000,000	Not yet due	None	No
2023 MCC MTN006	2023-03-10 to 2023-03-13	3.36%	2,000,000	Not yet due	None	No
2023 MCC MTN007	2023-03-15 to 2023-03-16	3.37%	2,000,000	Not yet due	None	No

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other equity instruments (Continued)

Name of outstanding financial instruments	Issue date	Dividend rate or interest rate	Issue amount	Maturity date or renewal	Condition for share conversion	Conversion
2023 MCC MTN008	2023-03-17 to 2023-03-20	3.36%	2,000,000	Not yet due	None	No
2023 MCC MTN009	2023-03-22 to 2023-03-23	3.35%	2,000,000	Not yet due	None	No
2023 MCC MTN0010	2023-08-18 to 2023-08-21	3.05%	2,000,000	Not yet due	None	No
2023 MCC MTN0011	2023-08-23 to 2023-08-24	3.04%	1,400,000	Not yet due	None	No
2023 MCC MTN0012	2023-08-31 to 2023-09-01	3.10%	1,000,000	Not yet due	None	No
2023 MCC MTN0013	2023-09-01 to 2023-09-04	3.22%	1,000,000	Not yet due	None	No
2024 MCC MTN003	2024-03-14 to 2024-03-15	2.79%	2,000,000	Not yet due	None	No
2024 MCC MTN004	2024-03-18 to 2024-03-19	2.74%	2,000,000	Not yet due	None	No
2024 MCC MTN005A	2024-07-24 to 2024-07-25	2.25%	1,000,000	Not yet due	None	No
2024 MCC MTN005B	2024-07-24 to 2024-07-25	2.54%	1,000,000	Not yet due	None	No
2024 MCC MTN006	2024-08-07 to 2024-08-08	2.25%	2,000,000	Not yet due	None	No
2024 MCC MTN007	2024-08-09 to 2024-08-12	2.75%	1,200,000	Not yet due	None	No
2024 MCC MTN008	2024-08-21 to 2024-08-22	2.40%	2,000,000	Not yet due	None	No
2024 MCC MTN009	2024-08-22 to 2024-08-23	2.28%	2,000,000	Not yet due	None	No
2024 MCC MTN0010	2024-08-23 to 2024-08-26	2.50%	2,000,000	Not yet due	None	No
2024 MCC MTN0011	2024-08-26 to 2024-08-27	2.38%	2,000,000	Not yet due	None	No
2024 MCC MTN0012	2024-08-27 to 2024-08-28	2.31%	1,200,000	Not yet due	None	No
Total	/	/	50,600,000	/	/	/

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other equity instruments (Continued)

As it is at the discretion of the Company to decide whether to redeem the above-mentioned medium-term notes or defer payments on the above-mentioned renewable corporate bonds and renewable financing instruments (hereinafter referred to as “renewable financing instruments”), the above-mentioned renewable financing instruments’ perpetuity remains in effect. Unless otherwise dictated by a compulsory interest payment occurrence that is independently decided and consequently controlled by the Company, the Company can choose, at its own discretion, to defer the current interest payment and previous deferred interests and related yields to next interest payment date without any limitation on the number of deferred interest payments, and the repayment order of such renewable financing instruments at the settlement is inferior to that of ordinary bonds and other debts issued by the Company. The Company believes that such renewable financing instruments do not meet the definition of financial liabilities and are accounted for as other equity instruments subsequent to deduction of related transaction costs from the total issue amount.

The Company’s subsidiaries, China MCC 5 Group Co., Ltd., China MCC 17 Group Co., Ltd. and Shanghai Baoye Group Co., Ltd., issued perpetual bonds in 2023, with amounts of RMB1,500,000,000, RMB1,000,000,000 and RMB1,500,000,000 respectively. The amounts received after deducting relative transaction costs are recognized in other equity instruments and presented under the item of non-controlling interests in the consolidated financial statements.

MCC Holding (Hong Kong) Corporation Limited, one of the Company’s subsidiaries, issued overseas perpetual bonds RMB3,246,700,000 in 2021. The amounts received after deducting relative transaction costs are recognized in other equity instruments and presented under the item of non-controlling interests in the consolidated financial statements. In April 2024, MCC Holdings (Hong Kong) Limited redeemed the perpetual bonds issued in 2021, a decrease of RMB3,246,700,000 in non-controlling interests in the consolidated financial statements of the Group.

As at 31 December 2024, the balance of the above non-controlling interests are RMB4,000,000,000.

48. Capital reserve

All amounts in RMB'000

Items	31 December 2023	Increase	Decrease	31 December 2024
Share premium	22,467,142	–	–	22,467,142
Other capital reserve	115,080	915,479	37,030	993,529
Total	22,582,222	915,479	37,030	23,460,671

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Other comprehensive income

Accumulated balance of other comprehensive income attributable to the parent company in the consolidated balance sheet:

All amounts in RMB'000

Items	1 January 2024	Attributable to owners of the Company, net of income tax	Less: Retained earnings transferred from other comprehensive income	31 December 2024
Other comprehensive income that will not be reclassified to profit or loss				
Changes in re-measurement of defined benefit obligations	28,578	(229,146)	–	(200,568)
Other comprehensive income that cannot be transferred to profit or loss under equity method	35	(10)	–	25
Fair value changes in investments in other equity instruments	(129,731)	108,218	(4,495)	(17,018)
Sub-total	(101,118)	(120,938)	(4,495)	(217,561)
Other comprehensive income that may be reclassified to profit or loss				
Other comprehensive income that may be transferred to profit or loss under equity method	21,712	(414)	–	21,298
Changes in fair value of receivables at FVTOCI	(102,938)	8,823	–	(94,115)
Exchange differences on translating foreign operations	1,293,819	(252,323)	–	1,041,496
Sub-total	1,212,593	(243,914)	–	968,679
Total	1,111,475	(364,852)	(4,495)	751,118

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Other comprehensive income (Continued)

Other comprehensive income incurred: 2024

All amounts in RMB'000

Items	Other comprehensive income before tax for the current year	Less: Income tax expenses	Attributable to owners of the Company, net of income tax	Attributable to non-controlling interests, net of income tax
Other comprehensive income that will not be reclassified to profit or loss				
Changes in re-measurement of defined benefit obligations	(260,386)	(6,481)	(229,146)	(24,759)
Other comprehensive income that cannot be transferred to profit or loss under equity method	(10)	–	(10)	–
Fair value changes in investments in other equity instruments	123,168	22,220	108,218	(7,270)
Other comprehensive income that may be reclassified to profit or loss				
Other comprehensive income that may be transferred to profit or loss under equity method	(1,158)	–	(414)	(744)
Changes in fair value of receivables at FVTOCI	14,318	2,147	8,823	3,348
Exchange differences on translating foreign operations	(217,526)	–	(252,323)	34,797
Total	(341,594)	17,886	(364,852)	5,372

50. Special reserve

All amounts in RMB'000

Item	31 December 2023	Increase	Decrease	31 December 2024
Safety cost	411,766	10,934,301	10,321,100	1,024,967
Total	411,766	10,934,301	10,321,100	1,024,967

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Surplus reserve

All amounts in RMB'000

Item	31 December 2023	Increase	31 December 2024
Statutory surplus reserve	3,391,294	391,174	3,782,468
Total	3,391,294	391,174	3,782,468

In accordance with the Company Law of the PRC and the Company's Articles of Association, the Company appropriated 10% of the net profit to the statutory surplus reserve. When the accumulated amount of statutory surplus reserve reaches 50% of the Company's registered capital, further appropriation will not be mandatory. Upon the approval of the board, the statutory surplus reserve can be used to offset previous years' losses or increase the share capital.

52. Retained earnings

All amounts in RMB'000

Items	2024	2023
Closing balance of the preceding year	49,859,806	45,102,415
Impact of changes in accounting policies	—	7,927
Opening balance of the current year	49,859,806	45,110,342
Add: Net profit attributable to shareholders of the parent company	6,745,954	8,670,405
Other comprehensive income carried forward to retained earnings	(4,495)	(428)
Less: Appropriation to surplus reserve (a)	391,174	414,870
Distribution of dividends on ordinary shares (b)	1,492,101	1,720,060
Distribution of interest on perpetual bonds classified as equity instrument (c)	1,861,743	1,782,443
Other	155,992	3,140
Closing balance of the current year	52,700,255	49,859,806

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Retained earnings (Continued)

As at 31 December 2024, retained earnings of the Group included statutory surplus reserve of subsidiaries of the parent company amounting to RMB19,138,876,000 (as at 31 December 2023: RMB18,254,505,000).

- (a) In 2024, the Company appropriated 10% of the net profit to the statutory surplus reserve amounting to RMB391,174,000 (2023: RMB414,870,000).
- (b) In accordance with the resolution at the 2023 annual general meeting of shareholders on 26 June 2024, a final cash dividend of RMB0.72 (inclusive of tax) for every ten shares was approved after the appropriation to statutory surplus reserve, which amounted to RMB1,492,101,000. This dividend has been paid as of 31 December 2024.
- (c) In 2024, the Company distributed interest on perpetual bonds amounting to RMB1,861,743,000 (2023: RMB1,782,443,000). As at 31 December 2024, retained earnings included no interest belonging to the perpetual bond holders (as at 31 December 2023: Nil).

53. Operating revenue and operating costs

(1) Operating revenue and operating costs

All amounts in RMB'000

Items	2024		2023	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Principal business	550,660,991	497,613,186	632,458,977	571,530,466
Other business	1,363,647	930,406	1,411,445	926,383
Total	552,024,638	498,543,592	633,870,422	572,456,849

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Operating revenue and operating costs (Continued)

(2) The segment information of operating revenue

2024

All amounts in RMB'000

Reporting segment	Engineering contracting	Featured business	Comprehensive real estate	Other	Sub-total
Timing of transfer of goods					
At a certain point in time	22,765,621	16,305,278	12,728,792	323,830	52,123,521
Over period of time	474,811,348	18,811,458	5,481,811	–	499,104,617
Lease	383,408	16,140	394,145	2,807	796,500
Total	497,960,377	35,132,876	18,604,748	326,637	552,024,638

(3) The segment information of operating costs

2024

All amounts in RMB'000

Reporting segment	Engineering contracting	Featured business	Comprehensive real estate	Other	Sub-total
Timing of transfer of goods					
At a certain point in time	20,144,075	12,388,891	12,268,215	207,149	45,008,330
Over period of time	431,205,112	16,525,849	5,430,890	–	453,161,851
Lease	64,758	4,673	303,268	712	373,411
Total	451,413,945	28,919,413	18,002,373	207,861	498,543,592

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Operating revenue and operating costs (Continued)

(4) Information about the Group's performance obligations

Information about the Group's performance obligations is as follows:

	Timing of satisfaction of performance obligations	Important payment terms	Nature of the goods promised to be transferred	Whether it is the principal	Assumed amounts expected to be refunded to the customer	Types of warranties provided and related obligations
Project construction	Period of provision of project contracting services	Project settlement	Construction services	Yes	No	Project warranty, assurance-type warranty
Survey and design services	Period of provision of Survey and design services	Service progress acceptance payment	Design document	Yes	No	No
The sold goods	Time of delivery	Delivery payment, Bank mortgage loan	Metallurgical equipment, Metallic and Non-metallic minerals, Commercial properties	Yes	No	Metallurgical equipment, Commercial properties assurance-type warranty

(5) Operating revenue from the five largest customers of the Group

The total amount of operating revenue from the five largest customers of the Group is RMB16,783,891,000 (for the year ended 31 December 2023: RMB17,756,525,000), accounting for 3.40% of the total operating revenue of the Group (for the year ended 31 December 2023: 2.80%). The details are set out below:

All amounts in RMB'000

Customers	Operating revenue	As a percentage of total operating revenue of the Group (%)
Party 1	5,311,848	0.96
Party 2	3,257,195	0.59
Party 3	3,014,229	0.55
Party 4	2,673,760	0.48
Party 5	2,526,859	0.46
Total	16,783,891	3.04

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Operating revenue and operating costs (Continued)

(5) Operating revenue from the five largest customers of the Group (Continued)

The engineering contracting services provided by the Group generally constitutes a single performance obligation as a whole and is performed over time. As at 31 December 2024, some of the Group's engineering contracting service contracts were still in the process of performance, the transaction price allocated to the outstanding (or partially unperformed) performance obligations are related to the performance progress of each service contract, and will be recognized as revenue in the future performance period of each contract based on the performance progress.

54. Taxes and levies

All amounts in RMB'000

Items	2024	2023
Stamp duty	374,362	349,546
Land appreciation tax	366,318	247,233
City construction and maintenance tax	334,626	340,352
Property tax	324,644	291,447
Education surcharges	261,959	265,635
Land use tax	124,616	115,958
Others	369,562	310,903
Total	2,156,087	1,921,074

55. Selling expenses

All amounts in RMB'000

Items	2024	2023
Employee benefits	1,459,864	1,545,180
Advertising and sales service expenses	705,151	679,543
Travelling expenses	308,493	315,818
Office expenses	179,978	209,200
Depreciation of fixed assets	10,046	11,159
Others	399,783	408,416
Total	3,063,315	3,169,316

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Administrative expenses

All amounts in RMB'000

Items	2024	2023
Employee benefits	8,039,315	8,289,777
Office expenses	832,220	825,247
Depreciation of fixed assets	506,990	455,782
Travelling expenses	446,319	492,296
Professional service fees	322,814	417,444
Lease rentals	273,624	236,762
Amortization of intangible assets	212,078	199,702
Depreciation of right of use assets	124,043	129,083
Repairs and maintenance expenses	112,221	144,543
Others	960,971	1,169,675
Total	11,830,595	12,360,311

For the current year, the above administrative expenses include audit fee of RMB17,500,000 (for the year ended 31 December 2023: RMB17,500,000), among which internal control audit fee of RMB1,500,000 (for the year ended 31 December 2023: RMB1,500,000).

57. Research and development expenditure

All amounts in RMB'000

Items	2024	2023
Research and development material expenditure	10,392,306	13,688,060
Employee benefits	5,241,729	5,195,915
Depreciation of fixed assets	121,600	110,673
Amortization of intangible assets	28,074	22,076
Others	622,516	713,678
Total	16,406,225	19,730,402

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Financial expenses

All amounts in RMB'000

Items	2024	2023
Interest expenses	4,443,552	3,699,978
Less: Capitalized interests	1,081,373	1,056,668
Less: Interest income	2,715,515	2,001,447
Exchange gains	(145,811)	(304,958)
Bank charges	580,942	538,441
Interest expenses of lease liabilities	30,502	36,596
Others	(33,592)	77,179
Total	1,078,705	989,121

59. Other income

All amounts in RMB'000

Items	2024	2023
Tax returns	136,452	172,013
Research subsidies	118,792	141,746
Others	294,984	246,335
Total	550,228	560,094

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Investment losses

All amounts in RMB'000

Items	2024	2023
Gains from long-term equity investments under equity method	137,334	506,149
Investment income on disposal of long-term equity investments	13,380	48,027
Investment loss from disposal of trading financial liabilities	(113,311)	(37,443)
Investment income from disposal of other non-current financial assets	11,959	20,558
Investment loss from disposal of receivables at FVTOCI	(370,798)	(342,657)
Investment income from holding investments in other equity instruments	21,270	21,469
Investment income from holding other non-current financial assets	7,897	15,650
Losses from derecognition of financial assets at amortized cost	(1,089,125)	(1,737,172)
Others	26,869	18,074
Total	(1,354,525)	(1,487,345)

61. Losses from changes in fair values

All amounts in RMB'000

Sources	2024	2023
Gains/(Losses) arising on changes in fair value of financial assets held for trading	171	(201)
(Losses)/Gains arising on changes in fair value of derivative financial assets	(12,676)	12,676
Losses arising on changes in fair value of derivative financial liabilities	(369,193)	(286,537)
Gains/(Losses) arising on changes in fair value of other non-current financial assets	4,491	(40,161)
Total	(377,207)	(314,223)

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Credit impairment losses

All amounts in RMB'000

Items	2024	2023
Income/(loss) from impairment of bills receivable (Note VII 4(4))	2,036	(25,420)
Loss from impairment of accounts receivable (Note VII 5(3))	(6,063,586)	(3,993,114)
Loss from impairment of other receivables (Note VII 8(3) (d))	(1,222,023)	(1,412,449)
Income/(loss) from impairment of long-term receivables (Note VII 13(2))	90,048	(563,310)
Total	(7,193,525)	(5,994,293)

63. Impairment losses of assets

All amounts in RMB'000

Items	2024	2023
Loss from impairment of inventories (Note VII 9(2))	(1,725,060)	(1,215,653)
Loss from impairment of contract assets (Note VII 10(3))	(732,538)	(1,126,698)
Loss from impairment of goodwill (Note VII 22)	(2,635)	(4,240)
Loss from impairment of long-term equity investments (Note VII 14)	(1,626)	(58,331)
Loss from impairment of investment properties (Note VII 17)	–	(182,465)
Loss from impairment of fixed assets (Note VII 18(1))	–	(16,092)
Loss from impairment of other non-current assets (Note VII 25)	(98,414)	(349,736)
Income/(loss) from impairment of other current assets	19,419	(1,605)
Total	(2,540,854)	(2,954,820)

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Gains on disposal of assets

All amounts in RMB'000

Items	2024	2023
Gains on disposal of fixed assets	772,029	201,235
Gains on disposal of intangible assets	139,623	458,061
Gains on disposal of other long-term assets	141,014	3,779
Total	1,052,666	663,075

65. Non-operating income

All amounts in RMB'000

Items	2024	2023	Recognized in non-recurring profit or loss for the current year
Income from penalty	25,882	49,243	25,882
Government grants	40,256	29,340	40,256
Unpayable balances	241,995	58,392	241,995
Others	145,451	151,814	145,451
Total	453,584	288,789	453,584

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Non-operating expenses

All amounts in RMB'000

Items	2024	2023	Recognized in non-recurring profit or loss for the current year
Litigation Estimated Liabilities	32,013	87,021	32,013
Compensation and default payments	192,885	93,760	192,885
Loss on damage and retirement of non-current assets	17,870	21,598	17,870
Fines and surcharges for overdue payments	18,083	19,846	18,083
Donations	16,066	13,410	16,066
Others	5,031	4,219	5,031
Total	281,948	239,854	281,948

67. Income tax expenses

(1) Income tax expenses

All amounts in RMB'000

Items	2024	2023
Current year tax expenses	3,391,841	3,057,845
Deferred tax expenses	(2,041,635)	(699,182)
Total	1,350,206	2,358,663

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Income tax expenses (Continued)

(2) Reconciliation of income tax expenses to the accounting profit

All amounts in RMB'000

Items	2024	2023
Total profit	9,254,538	13,764,772
Income tax expenses calculated at the tax rate of 25%	2,313,635	3,441,193
Effect of difference between applicable tax rate and statutory tax rate	(1,591,793)	(1,251,099)
Income not subject to tax	(72,171)	(193,007)
Expenses not deductible for tax purposes	190,549	183,429
Utilization of tax losses and other temporary differences for which no deferred income tax assets were recognized previously	(570,231)	(302,165)
Tax losses and other temporary differences for which no deferred income tax assets were recognized	2,079,956	2,004,627
Additional deduction for R&D expenses and others	(999,739)	(1,524,315)
Income tax expense	1,350,206	2,358,663

Most of the companies now comprising the Group are subject to PRC enterprise income tax, which have been provided based on the statutory income tax rate of 25% on the assessable income during the current period as determined in accordance with the relevant PRC income tax rules and regulations except for certain subsidiaries which were exempted from tax or taxed at preferential rate.

Taxation of overseas subsidiaries within the Group has been calculated on the estimated assessable profit of these subsidiaries for the current period at the rates of taxation prevailing in the countries or jurisdictions in which these companies operate.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Earnings per share

- (1) *When calculating earnings per share, net profit for the current period attributable to ordinary shareholders*

All amounts in RMB'000

Items	2024	2023
Net profit for the current period attributable to shareholders of the Company	6,745,954	8,670,405
Including: Net profit from continuing operations	6,745,954	8,670,405
Less: The effect of other equity instruments interest	1,861,743	1,782,443
Net profit for the current period attributable to ordinary shareholders	4,884,211	6,887,962

- (2) *For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares*

All amounts in thousand shares

Items	2024	2023
Number of ordinary shares outstanding at the beginning of the year	20,723,619	20,723,619
Add: Weighted average number of ordinary shares issued during the year	—	—
Less: Weighted average number of ordinary shares repurchased during the year	—	—
Number of ordinary shares outstanding at the end of the year	20,723,619	20,723,619

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For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Earnings per share (Continued)

(3) Earnings per share

RMB/share

Items	2024	2023
Calculated based on net profit attributable to ordinary shareholders:		
Basic earnings per share	0.24	0.33
Diluted earnings per share	0.24	0.33
Calculated based on net profit from continuing operations attributable to ordinary shareholders:		
Basic earnings per share	0.24	0.33
Diluted earnings per share	0.24	0.33
Calculated based on net profit from discontinued operations attributable to ordinary shareholders:		
Basic earnings per share	N/A	N/A
Diluted earnings per share	N/A	N/A

69. Notes to items in the cash flow statements

(1) Cash flow relating to operating activities

Other cash receipts relating to operating activities

All amounts in RMB'000

Items	2024	2023
Receipts of current accounts	7,303,529	6,686,325
Receipts of deposits and warranties	1,653,825	1,811,318
Interest income	2,315,977	1,531,874
Change in restricted deposits	1,733,682	1,427,035
Government grants received	439,936	458,092
Others	229,388	296,523
Total	13,676,337	12,211,167

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Notes to items in the cash flow statements (Continued)

(1) Cash flow relating to operating activities (Continued)

Other cash payments relating to operating activities

All amounts in RMB'000

Items	2024	2023
Research and development expenses	11,027,453	14,441,236
Travelling expenses	754,811	808,114
Professional service fees	386,899	507,938
Advertising and sales service expenses	529,635	486,520
Office expenses	418,651	460,699
Short-term lease rentals	358,689	365,614
Repair and maintenance expenses	113,284	149,305
Others	7,148,667	3,369,339
Total	20,738,089	20,588,765

(2) Cash flow relating to investing activities

Other cash receipts relating to investing activities

All amounts in RMB'000

Item	2024	2023
Repayment of loans from related parties	442,470	824,408
Interest income from loans	511,394	495,930
Net cash receipts from acquisition of subsidiaries and other units (Note VII 70(2))	1,124,980	270,055
Others	44,432	–
Total	2,123,276	1,590,393

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Notes to items in the cash flow statements (Continued)

(2) Cash flow relating to investing activities (Continued)

Other cash payments relating to investing activities

All amounts in RMB'000

Item	2024	2023
Derivatives delivery expenditure	161,382	–
Loans and current accounts	2,707,730	40,237
Total	2,869,112	40,237

(3) Cash flow relating to financing activities

Other cash receipts relating to financing activities

All amounts in RMB'000

Item	2024	2023
Loans and others	3,552,009	1,791,552
Total	3,552,009	1,791,552

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Notes to items in the cash flow statements (Continued)

(3) Cash flow relating to financing activities (Continued)

Other cash payments relating to financing activities

All amounts in RMB'000

Items	2024	2023
Repayment of investment funds to non-controlling shareholders	–	16,767,811
Redemption of perpetual medium-term notes and perpetual bonds	18,752,550	11,429,100
Repayment of loans and interests	2,551,490	1,947,390
Change in restricted deposits	511,767	–
Payments for lease liabilities	291,741	298,059
Total	22,107,548	30,442,360

Changes in liabilities arising from financing activities

All amounts in RMB'000

Items	Opening balance	Increasing Changes		Decreasing Changes		Closing balance
		Changes arising from cash flow	Changes arising from non-cash flow	Changes arising from cash flow	Changes arising from non-cash flow	
Short-term borrowings	28,220,281	324,295,382	1,880,534	320,483,118	59,243	33,853,836
Long-term borrowings (including due within one year)	41,435,783	18,189,094	12,182,238	18,534,996	–	53,272,119
Bonds payable (including due within one year)	3,417,153	2,280,000	184,608	426,470	–	5,455,291
Lease liabilities (including due within one year)	731,706	–	193,874	291,741	57,238	576,601
Dividends payable	1,012,864	–	4,109,504	3,817,834	66,184	1,238,350
Interest payable	15,768	–	8,257	–	–	24,025
Borrowing funds	676,011	3,552,009	785,175	2,551,490	–	2,461,705
Total	75,509,566	348,316,485	19,344,190	346,105,649	182,665	96,881,927

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Notes to items in the cash flow statements (Continued)

(4) Cash flows presented on a net basis

Item	Relevant facts and circumstances	Basis for presentation on a net basis
Deposits and warranties	Deposits and warranties paid to or recovered from customers for project contracting services, and deposits and warranties received from or returned to suppliers are presented on a net basis	The Group operates many engineering contracting projects; Deposits and warranties are of quick turnover and short terms

(5) Significant activities not involving current cash receipts and payments

During the year, the Group endorsed and derecognised receivables at FVTOCI on a non-recourse basis, with a total carrying amount of RMB31,842,617,000 and the Group offset amounts due from suppliers with accounts receivable at amortised cost, and the total outstanding balance of the derecognised accounts receivable reached RMB45,101,468,000.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Supplementary information to the cash flow statements

(1) Supplementary information to the cash flow statements

All amounts in RMB'000

Supplementary information	2024	2023
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	7,904,332	11,406,109
Add: Provision for impairment losses of assets and credit losses	9,734,379	8,949,113
Depreciation of fixed assets and right-of-use assets, and amortization of investment properties	3,037,241	2,877,016
Amortization of intangible assets	1,351,379	1,059,040
Amortization of long-term prepayments	100,512	128,911
Gains on disposal of fixed assets, intangible assets and other long-term assets	(1,052,666)	(663,075)
Gains from write-off of fixed assets	(18,736)	(43,569)
Losses from changes in fair value	377,207	314,223
Financial expenses	2,477,604	1,796,166
Investment income	(105,398)	(592,484)
Increase in deferred tax assets	(1,958,681)	(693,836)
Decrease in deferred tax liabilities	(82,954)	(5,867)
Decrease in inventories	6,139,383	3,181,342
Increase in contract assets	(33,922,655)	(16,134,369)
Decrease in contract liabilities	(5,467,422)	(11,154,240)
Increase in receivables from operating activities	(88,541,684)	(46,279,850)
Increase in payables from operating activities	107,875,863	51,747,171
Net cash flows from operating activities	7,847,704	5,891,801
2. Net changes in cash and cash equivalents		
Closing balance of cash	43,190,604	33,850,108
Less: Opening balance of cash	33,850,108	33,468,217
Net increase in cash and cash equivalents	9,340,496	381,891

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Supplementary information to the cash flow statements (Continued)

(2) Net cash received from acquisition of subsidiaries and other units in the current year

All amounts in RMB'000

Items	2024
Cash and cash equivalents held by subsidiaries and other units on the date of acquisition	1,217,800
Less: Cash and cash equivalents paid from acquisition of subsidiaries and other units in the current year	92,820
Net cash received from acquisition of subsidiaries and other units	1,124,980

(3) The composition of cash and cash equivalents

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Cash	43,190,604	33,850,108
Including: Cash on hand	5,045	5,675
Bank deposits without restriction	43,185,559	33,844,433
Closing balance of cash and cash equivalents	43,190,604	33,850,108
Including: Cash and cash equivalents with restricted use in the group	30,339,570	24,658,624

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Supplementary information to the cash flow statements (Continued)

(4) *Circumstances where use is restricted but still presented as cash and cash equivalents*

All amounts in RMB'000

	31 December 2024	31 December 2023	Reasons
Special account funds for project agreement	18,303,699	15,463,058	Project-specific, with no substantive restrictions on withdrawal for use on this project
Special account funds for wage payment of migrant workers	8,792,589	7,736,508	Dedicated to the payment of migrant workers' wages, which can be paid at any time without substantial restrictions
Others	3,243,282	1,459,058	Special funds for exclusive use, without substantial restrictions during use
Total	30,339,570	24,658,624 /	

(5) *Cash and bank balances not classified as cash and cash equivalents*

All amounts in RMB'000

	31 December 2024	31 December 2023	Reasons
Frozen funds	4,967,221	4,057,706	Frozen, unable to withdraw at any time
Guarantee funds	2,173,442	2,902,329	Illiquid, unable to withdraw at any time
Other funds with restricted ownership or usage rights	2,227,584	3,630,126	Unable to withdraw at any time
Total	9,368,247	10,590,161 /	

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. Foreign currencies denominated items

(1) Foreign currencies denominated items

All amounts in RMB'000

Items	Foreign currency at 31 December 2024	Exchange rate	RMB at 31 December 2024
Cash and bank balances			3,779,519
Including: USD	253,433	7.1884	1,821,778
HKD	150,128	0.9260	139,025
EUR	10,231	7.5257	76,995
AUD	47,473	4.5070	213,961
IDR	812,652,620	0.0005	368,132
SGD	21,427	5.3214	114,022
MYR	144,304	1.6199	233,758
KWD	7,306	23.3329	170,470
Others	/	/	641,378
Accounts receivable			4,506,035
Including: USD	349,635	7.1884	2,513,316
HKD	287,856	0.9260	266,566
GBP	113	9.0765	1,026
MYR	441,827	1.6199	715,716
SGD	54,404	5.3214	289,505
IDR	129,065,097	0.0005	58,466
KWD	7,941	23.3329	185,287
Others	/	/	476,153
Other receivables			2,262,609
Including: USD	11,217	7.1884	80,632
HKD	144,456	0.9260	133,772
SGD	287,068	5.3214	1,527,604
Others	/	/	520,601
Short-term borrowings			2,014,054
Including: SGD	378,482	5.3214	2,014,054
Accounts payable			4,338,173
Including: USD	321,589	7.1884	2,311,710
HKD	312,689	0.9260	289,563
EUR	3,145	7.5257	23,668
GBP	380	9.0765	3,449
KWD	1,676	23.3329	39,106
SGD	110,231	5.3214	586,583
MYR	285,257	1.6199	462,088
IDR	518,729,323	0.0005	234,984
Others	/	/	387,022
Other payables			1,627,089
Including: USD	92,785	7.1884	666,976
HKD	3,301	0.9260	3,057
MYR	55,924	1.6199	90,591
KWD	6,144	23.3329	143,357
Others	/	/	723,108

FINANCIAL STATEMENTS

For the year ended 31 December 2024

VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. Foreign currencies denominated items (Continued)

(2) Notes for the foreign business entities

Full name of the major foreign operations business	Place of	Representation currency	The basis of select functional currency
MCC Minera Sierra Grande S. A	Argentina	Argentine Peso	The functional currency of the overseas subsidiary is based on the primary economic environment where it operates.
MCC Western Australia Mining Ltd.	Australia	USD	
MCC Australia Holding Pty Ltd.	Australia	Australian dollar	
MCC Tongsin Resources Ltd.	Pakistan	USD	
MCC Holding (Hong Kong) Corporation Limited	Hong Kong, China	USD	
MCC Ramu NiCo Ltd.	Papua New Guinea	USD	

The functional currencies of the Group's major foreign operations have not changed during the reporting period.

VIII. CHANGES OF THE SCOPE OF CONSOLIDATION

1. Business combinations not involving enterprises under common control

In 2024, the Company acquired control of the following entities by paying cash consideration of RMB92,820,000 and non cash consideration of 1,948,772,000. These entities were included in consolidation scope since the acquisition date:

All amounts in RMB'000

Target company	Equity acquisition ratio (%)	Method of equity acquisition	Basis for determining acquisition date
Shanghai Jingmin Real Estate Co., Ltd.	100.00	Purchases	Actual obtainment of control of the acquiree
Fujian Minluo Construction Co., Ltd	100.00	Purchases	Actual obtainment of control of the acquiree
Qiqihar North MCC Real Estate Co., Ltd.	81.07	Purchases	Actual obtainment of control of the acquiree
Hangzhou Yinya Urban Construction and Development Co., Ltd	80.00	Purchases	Actual obtainment of control of the acquiree
Taizhou Baoyue Construction Co., Ltd	100.00	Purchases	Actual obtainment of control of the acquiree
Liangshan MCC Cultural Construction Investment Co., Ltd	76.29	Purchases	Actual obtainment of control of the acquiree
Liangshan MCC Education Construction Investment Co., Ltd	78.00	Purchases	Actual obtainment of control of the acquiree
Handan Huayuecheng Real Estate Development Co., Ltd	100.00	Purchases	Actual obtainment of control of the acquiree
Handan Chengjia Kaihua Real Estate Development Co., Ltd	100.00	Purchases	Actual obtainment of control of the acquiree
Chongqing Xiema East West Road Construction Project Management Co., Ltd	95.00	Purchases	Actual obtainment of control of the acquiree
Guangxi Guoye Transportation Investment Co., Ltd	98.57	Purchases	Actual obtainment of control of the acquiree
Xiaogan Xinye City Comprehensive Pipe Gallery Construction Investment Co., Ltd	95.00	Purchases	Actual obtainment of control of the acquiree
Zhumadian Guoye Engineering Construction Co., Ltd	100.00	Purchases	Actual obtainment of control of the acquiree
Yidu Yiye Municipal Infrastructure Construction Management Co., Ltd	76.26	Purchases	Actual obtainment of control of the acquiree

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For the year ended 31 December 2024

VIII. CHANGES OF THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations not involving enterprises under common control (Continued)

Target company	Equity acquisition ratio (%)	Method of equity acquisition	Basis for determining acquisition date
Guigang Guoye Pipe Gallery Construction Co., Ltd.	65.04	Purchases	Actual obtainment of control of the acquiree
Tianjin MCC Xingchen Pipe Gallery Construction Management Co., Ltd	70.55	Purchases	Actual obtainment of control of the acquiree
Wuhan Zhongyi Investment and Construction Co., Ltd	100.00	Purchases	Actual obtainment of control of the acquiree
Jingmen Jingye Construction Co., Ltd	100.00	Purchases	Actual obtainment of control of the acquiree

The fair value and carrying amount of the identifiable assets and liabilities of companies listed above as at the dates of acquisition were as follows:

All amounts in RMB'000

Items	Fair value on the acquisition date	Carrying amount on the acquisition date
Cash and bank balances	1,217,800	1,217,800
Accounts receivable	1,059,847	1,059,847
Receivables at FVTOCI	43,824	43,824
Contract assets	1,133,138	1,133,138
Prepayments	9,266	9,266
Other receivables	3,739,286	3,739,286
Inventories	5,003,192	4,926,052
Non-current assets due within one year	323,495	323,495
Other current assets	626,762	626,762
Long-term receivables	927,471	927,471
Long-term equity investments	82,000	82,000
Other non-current financial assets	2,523,233	2,523,233
Investment properties	9,777	9,777
Fixed assets	2,674	2,674
Right-of-use assets	1,181	1,181
Intangible assets	7,155,015	7,155,015
Long-term prepayments	85,753	85,753
Deferred tax assets	17,944	17,944
Other non-current assets	3,708,520	3,708,520
Bills payable	(200,000)	(200,000)
Accounts payable	(3,435,780)	(3,435,780)
Receipts in advance	(20,730)	(20,730)
Contract liabilities	(1,843,745)	(1,843,745)
Employee benefits payable	(8,977)	(8,977)
Taxes payable	(74,508)	(74,508)
Other payables	(7,993,219)	(7,993,219)
Non-current liabilities due within one year	(311,526)	(311,526)
Other current liabilities	(333,721)	(333,721)
Long-term borrowings	(9,683,019)	(9,683,019)
Lease liabilities	(467)	(467)
Long-term payables	(5,150)	(5,150)
Deferred income	(500)	(500)
Other non-current Liabilities	(600,000)	(600,000)
Fair value of net identifiable assets on the acquisition date	3,158,836	3,081,696
Less: Non-controlling interests	1,123,727	
Add: Goodwill from purchases	6,483	
Consideration of acquisition	2,041,592	

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VIII. CHANGES OF THE SCOPE OF CONSOLIDATION (CONTINUED)

2. The operating results and cash flows of the above companies from the acquisition date till the end of period are listed as follows:

All amounts in RMB'000

Items	From the acquisition date till 31 December 2024
Operating revenue	6,869,743
Net profit	32,359
Net cash flows	(428,708)

Net cash received for acquisition of subsidiaries:

All amounts in RMB'000

Items	2024
Consideration for acquisition of subsidiaries	2,041,592
Cash and cash equivalents held by the acquiree	1,217,800
Less: Cash and cash equivalents paid for acquisition of subsidiaries	92,820
Net cash received for acquisition of subsidiaries	1,124,980

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IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) The constitution of the Group

Details of subsidiaries of the Group:

All amounts in RMB'000

Name of subsidiary	Place of business	Place of establishment/ incorporation	Business scope	Registered capital	Proportion of ownership interest (%)		Method of obtaining interests in the subsidiary
					Direct	Indirect	
Central Research Institute of Building and Construction Co., Ltd.	China	Beijing	EPC	2,905,110	100.00	-	Invested by shareholders
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	China	Beijing	EPC	761,816	100.00	-	Invested by shareholders
China ENFI Engineering Co., Ltd.	China	Beijing	EPC	2,346,730	100.00	-	Invested by shareholders
MCC Capital Engineering & Research Incorporation Limited	China	Beijing	EPC	3,283,104	88.89	-	Invested by shareholders
CISDI Group Co., Ltd.	China	Chongqing	EPC	2,300,000	100.00	-	Invested by shareholders
WISDRI Engineering & Research Incorporation Limited	China	Wuhan	EPC	3,350,000	83.08	-	Invested by shareholders
Huadian Engineering & Technology Corporation, MCC	China	Ma'anshan	EPC	823,259	85.10	-	Invested by shareholders
ACRE Coking & Refractory Engineering Consulting Corporation, MCC	China	Anshan	EPC	1,296,600	87.81	-	Invested by shareholders
Zhong Ye Chang Tian International Engineering Co., Ltd.	China	Changsha	EPC	677,301	92.61	-	Invested by shareholders
Northern Engineering & Technology Corporation, MCC	China	Anshan	EPC	528,511	91.26	-	Invested by shareholders
Shen Kan Engineering & Technology Corporation, MCC	China	Shenyang	Investigation, design	346,264	100.00	-	Invested by shareholders
Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC	China	Wuhan	Investigation, design	1,000,000	100.00	-	Invested by shareholders
China First Metallurgical Group Co., Ltd.	China	Wuhan	Engineering contracting	2,417,727	82.06	-	Invested by shareholders
China Second Metallurgical Group Co., Ltd.	China	Baotou	Engineering contracting	2,304,961	83.66	-	Invested by shareholders
China MCC 3 Group Co., Ltd.	China	Anshan	Engineering contracting	1,500,000	100.00	-	Invested by shareholders
China MCC 5 Group Co., Ltd.	China	Chengdu	Engineering contracting	5,323,343	92.67	-	Invested by shareholders
MCC TianGong Group Corporation Limited	China	Tianjin	Engineering contracting	2,050,000	98.53	-	Invested by shareholders
China MCC 17 Group Co., Ltd.	China	Ma'anshan	Engineering contracting	2,050,000	72.39	-	Invested by shareholders
China Metallurgical Construction	China	Chongqing	Engineering contracting	2,449,054	85.75	-	Invested by shareholders
China MCC 19 Group Co., Ltd.	China	Panzhihua	Engineering contracting	3,910,999	78.55	-	Invested by shareholders

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) The constitution of the Group (Continued)

Details of subsidiaries of the Group: (Continued)

Name of subsidiary	Place of business	Place of establishment/ incorporation	Business scope	Registered capital	Proportion of ownership interest (%)		Method of obtaining interests in the subsidiary
					Direct	Indirect	
China MCC 20 Group Co., Ltd.	China	Shanghai	Engineering contracting	2,050,000	71.91	–	Invested by shareholders
China 22MCC Group Co., Ltd.	China	Tangshan	Engineering contracting	3,393,281	81.93	–	Invested by shareholders
Shanghai Baoye Group Co., Ltd.	China	Shanghai	Engineering contracting	5,777,850	89.58	0.73	Invested by shareholders
China Huaye Group Co., Ltd.	China	Beijing	Engineering contracting	1,821,652	78.77	–	Invested by shareholders
MCC Baosteel Technology Services Co., Ltd.	China	Shanghai	Repair work	1,200,000	59.65	20.07	Invested by shareholders
MCC Communication Construction Group Co., Ltd.	China	Beijing	Infrastructure contractor	9,312,258	100.00	–	Invested by shareholders
MCC (Guizhou) Construction Investment Development Co., Ltd.	China	Guizhou	Engineering contracting	3,000,000	100.00	–	Established through investments
MCC Road&Bridge Construction Co., Ltd.	China	Inner Mongolia	Engineering contracting	2,000,000	100.00	–	Established through investments
MCC Zhongyuan Construction Investment Co., Ltd.	China	Zhengzhou	Engineering contracting	500,000	100.00	–	Established through investments
MCC Integrated Pipe Network Technology & Development Co., Ltd.	China	Baoding	Project contracting, Integrated pipe network technology development	200,000	100.00	–	Established through investments
MCC South China Construction Investment Co., Ltd.	China	Shenzhen	Engineering contracting	500,000	51.00	–	Established through investments
MCC (Hainan) Investment Development Co., Ltd.	China	Hainan	Engineering consulting, Investment management, etc.	100,000	60.00	39.30	Established through investments
MCC Urban Investment Holding Co., Ltd.	China	Guangdong	Engineering consulting, Investment management, etc.	1,000,000	60.00	–	Established through investments
MCC (Shanghai) Steel Structure Technology Co., Ltd.	China	Shanghai	Engineering contracting	1,000,000	42.56	50.77	Investment by shareholders
MCC Ecological Environmental Protection Group Co., Ltd.	China	Beijing	Water resource management	3,000,000	29.42	64.36	Established through investments
MCC Great Wall Investment Co., Ltd.	China	Beijing	Investment management	15,000,000	100.00	–	Established through investments
MCC Real Estate Group Co., Ltd. (Note 1)	China	Beijing	Property development	10,000,000	100.00	–	Investment by shareholders
MCC Tongsin Resources Ltd.	Pakistan	British Virgin Islands	Resource development	3,172,924	100.00	–	Investment by shareholders
MCC Australia Holding Pty Ltd.	Australia	Australia	Resource development	49,016	100.00	–	Investment by shareholders
MCC-JJJ Mining Development Company Limited	China	Beijing	Resource development	3,095,703	67.02	–	Investment by shareholders
Ramu NiCo Management (MCC) Ltd.	Papua New Guinea	Papua New Guinea	Nickel cobalt ore mining and smelting	3	100.00	–	Investment by shareholders
MCC International Incorporation Ltd.	China	Beijing	Engineering contracting	100,000	100.00	–	Investment by shareholders
MCC Overseas Ltd.	China	Beijing	Engineering contracting	429,126	100.00	–	Investment by shareholders

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) The constitution of the Group (Continued)

Details of subsidiaries of the Group: (Continued)

Name of subsidiary	Place of business	Place of establishment/ incorporation	Business scope	Registered capital	Proportion of ownership interest (%)		Method of obtaining interests in the subsidiary
					Direct	Indirect	
MCC Vietnam Engineering Technology Co., Ltd.	Vietnam	Vietnam	Engineering contracting	-	100.00	-	Established through investments
MCC International Economic and Trade Co., Ltd.	China	Shanghai	Trading	120,000	54.58	40.64	Investment by shareholders
MCC Holding (Hong Kong) Corporation Limited	China	Hong Kong, China	Others	6,485	100.00	-	Established through investments
MCC-SFRE Heavy Industry Equipment Co., Ltd.	China	Xi'an	Manufacture of metallurgy equipment	1,286,000	71.47	-	Investment by shareholders
MCC Mining (Western Australia) Pty Ltd.	Australia	Australia	Resource development	124,382	100.00	-	Investment by shareholders
China 13th Metallurgical Construction Corporation	China	Taiyuan	Engineering contracting	111,663	100.00	-	Investment by shareholders

Note 1: At 31 December 2024 except for the Company and MCC Real Estate Group Co., Ltd., other subsidiaries have not issued any bond. None of the subsidiaries of the Company has issued share capital.

Note 2: During 2024, MCC Finance Corporation Ltd and Tianjin Hongxin Investment Partnership (Limited Partnership) were liquidated.

(a) The grounds for controlling the investees of which the Group is holding half or less than half of the equity interest, and the grounds for not controlling the investees of which the Group is holding more than half of the equity interest

(i) The grounds for controlling the investees of which the Group is holding half or less than half of the equity interest

The Group has several investees in which it holds half or less than half of equities, and these investees are incorporated in the scope of consolidation of the Group, mainly in accordance with shareholder agreements, the rules of procedures for the articles of association of investees or agreements of shareholding entrustment and other arrangements, the Group has the control over these investees.

(ii) The grounds for not controlling the investees in which the Group holds more than half of the equity interest

The Group has several investees in which it holds more than half of equities. As there is a consistent action arrangement between the Group and another shareholder, and that shareholder has one vote with the right to veto or can determine independently the investees' related activities, the Group has no control over the investees, but it has the joint control or can exercise significant influence over the investees, therefore the investees are accounted for and managed as joint ventures or associates.

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Material non-controlling interests

All amounts in RMB'000

Company name	Proportion of equity interest held by non-controlling interests (%)	Comprehensive income attributable to non-controlling interests in the current year	Declaration of cash dividends to non-controlling interests in the current year	Non-controlling interests at the end of the year
China MCC 17 Group Co., Ltd.	27.61	292,177	188,638	3,638,045
WISDRI Engineering & Research Incorporation Limited	16.92	181,633	61,736	2,636,615
China MCC 5 Group Corp. Ltd.	7.33	235,639	70,404	2,977,736
Shanghai Baoye Group Corp. Ltd.	9.69	204,434	71,550	3,502,409

As at 31 December 2024, the balance of perpetual bonds issued by the Company's subsidiaries totaled RMB4,000,000,000. The perpetual bonds are classified as equity instruments and presented as minority interests in the Group's consolidated financial statements. For details of the perpetual bonds, please refer to Note VII.47.

The following tables provide significant financial information of significant non-wholly owned subsidiaries. All amounts are before elimination:

All amounts in RMB'000

Name of subsidiary	31 December 2024						31 December 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China MCC 17 Group Co., Ltd.	45,604,549	9,848,718	55,453,267	42,776,159	2,454,405	45,230,564	27,215,300	8,826,485	36,041,785	24,771,234	1,501,461	26,272,695
WISDRI Engineering & Research Incorporation Limited	23,017,206	3,863,725	26,880,931	16,452,205	252,089	16,704,294	22,147,304	4,573,964	26,721,268	16,633,401	197,458	16,830,859
China MCC 5 Group Corp. Ltd.	67,085,968	18,482,313	85,568,281	66,688,310	1,348,109	68,036,419	48,830,077	17,848,081	66,678,158	52,081,892	712,485	52,794,377
Shanghai Baoye Group Corp. Ltd.	59,475,179	18,440,932	77,916,111	59,764,665	2,813,347	62,578,012	46,906,471	15,129,492	62,035,963	48,749,440	559,478	49,308,918

All amounts in RMB'000

Name of subsidiary	2024				2023			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
China MCC 17 Group Co., Ltd.	35,654,388	925,379	923,489	21,099	50,648,775	1,476,046	1,476,484	(1,309,408)
WISDRI Engineering & Research Incorporation Limited	23,871,661	602,206	603,668	967,595	22,301,432	914,775	915,260	(961,391)
China MCC 5 Group Corp. Ltd.	80,039,384	2,400,985	2,419,863	1,308,230	90,104,864	2,518,578	2,588,737	1,719,226
Shanghai Baoye Group Corp. Ltd.	71,377,917	1,279,850	1,333,621	766,690	76,382,094	1,434,936	1,464,192	1,394,303

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates

(1) Details of the Group's material joint ventures and associates

All amounts in RMB'000

Name of joint ventures and associates	Principal place of operation	Place of establishment	Principal activities	Proportion of ownership interest held by the Group(%)		Accounting method
				Direct	Indirect	
Guizhou Ziwang Highway Construction Co., Ltd.	China	Anshun	Highway investment and development	59.96	–	Equity method
Guizhou Sanli Highway Construction Co., Ltd.	China	Qiannan Buyei and Miao Autonomous Prefecture	Highway investment and development	59.95	–	Equity method
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	China	Mangshi	Highway investment and development	40.00	–	Equity method
Lanzhou Lianhuo Highway Qingzhong Section Construction and development Co., Ltd.	China	Lanzhou	Highway investment and development	17.00	–	Equity method
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	China	Changsha	Highway investment and development	16.50	–	Equity method
Chongqing Yunkai Expressway Co., Ltd.	China	Chongqing	Highway investment and development	30.00	–	Equity method
Guizhou Sanshi Highway Construction Co., Ltd.	China	Qiandongnan Miao and Dong Autonomous Prefecture	Highway investment and development	59.90	–	Equity method
Beijing City Vice-Center Investment Fund Partnership (Limited Partnership)	China	Beijing	Investment management	13.88	–	Equity method
Shijiazhuang Hengxi Highway Construction Management Co., Ltd.	China	Shijiazhuang	Civil-engineering construction	28.00	–	Equity method
Tangshan Stainless Steel Co., Ltd.	China	Tangshan	Smelting and pressing of ferrous metals	23.89	–	Equity method
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	China	Zhuhai	Property investment and development	51.00	–	Equity method
Chongqing Yuxiang Double Track Expressway Co., Ltd.	China	Chongqing	Highway investment and development	4.99	–	Equity method
Xiongan Xiongshang Real Estate Co., Ltd.	China	Xiongan	Property investment and development	20.00	–	Equity method
Hebei Steel Luan County Sijiaoying Iron Ore Co., Ltd.	China	Tangshan	Processing of ferrous metal ores	14.45	–	Equity method
MCC Baoding Development and Construction Co., Ltd.	China	Baoding	Civil-engineering construction	10.00	–	Equity method
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	China	Yingkou	Special steel production and equipment manufacturing	48.96	–	Equity method
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	China	Liuzhou	Highway investment and development	25.00	–	Equity method
Sichuan Development MCC Construction Investment Co., Ltd.	China	Chengdu	Infrastructure construction	40.00	–	Equity method

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(1) Details of the Group's material joint ventures and associates (Continued)

Name of joint ventures and associates	Principal place of operation	Place of establishment	Principal activities	Proportion of ownership interest held by the Group(%)		Accounting method
				Direct	Indirect	
Hunan Chachang Expressway Construction and Development Co., Ltd.	China	Changsha	Highway investment and development	9.00	–	Equity method
Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	China	Wenshan Zhuang and Miao Autonomous Prefecture	Transportation infrastructure investment and construction operation management	38.00	–	Equity method
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd	China	Guangzhou	Property investment and development	15.00	–	Equity method
Gansu Gonghanglv Tongding Expressway Management Co., Ltd.	China	Dingxi	Highway investment and development	12.64	–	Equity method
Handan Jinrong Development and Construction Co., Ltd	China	Handan	Property investment and development	30.00	–	Equity method
WISDRI(XINYU)COLD PROCESSING ENGINEERING Co., Ltd.	China	Xinyu	Non-metallic mineral products	30.00	–	Equity method
Tianjin Shenghe Real Estate Co., Ltd	China	Tianjin	Property investment and development	40.00	–	Equity method
Shiyan Baoye Urban Construction Co., Ltd.	China	Shiyan	Municipal road engineering construction	47.97	–	Equity method
Gansu Jingli Expressway Longnan Management Co., Ltd	China	Longnan	Highway investment and development	18.33	–	Equity method
Zhongshan Xiangshan Avenue Comprehensive Pipe Gallery Technology Co., Ltd	China	Zhongshan	Construction and operation of comprehensive pipe gallery	60.00	–	Equity method
Huaiyuan Road Integrated Pipe Network Construction and Management Co., Ltd.	China	Yinchuan	Construction and operation of comprehensive pipe	70.00	–	Equity method
Ningguo Baoye Construction Co., Ltd.	China	Ningguo	Civil-engineering construction	42.00	–	Equity method
Huanggang Lianlu Water Co., Ltd	China	Huanggang	Water production and supply	47.00	–	Equity method

The Group has no significant interest in any single joint venture or associate above.

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(1) Details of the Group's material joint ventures and associates (Continued)

(a) The grounds for having common control or significant influence over the investees while holding less than 20% of the voting rights, and the grounds for not having significant influence over the investees while holding 20% or more of the voting rights in the investees

(i) The grounds for having common control or significant influence over the investees while holding less than 20% of the voting rights

The Group has several investees in which it holds less than 20% of equities but has the joint control or significant influence over the investees. As the Group has assigned directors of the board of directors of the investees, the Group has the joint control or can exercise significant influence over the investees, therefore the investees are accounted for and managed as joint ventures or associates.

(ii) The grounds for not having significant influence over the investees while holding 20% or more of the voting rights in the investees

The Group has several investees in which it holds more than 20% of equities but has no joint control or significant influence over the investees. As the Group has neither assigned directors of the board of directors of the investees, nor involved in or influenced the financial and operating decisions or normal operating activities of the investees in any other forms, so these investees are not accounted for and managed as joint ventures or associates.

(2) Summarized financial information of material joint ventures and associates

All amounts in RMB'000

Items	31 December 2024/ Amount recognized in the current year	31 December 2023/ Amount recognized in the prior year
Joint ventures		
Total carrying amount	10,359,774	9,993,498
The Group's share of the following items		
– Net profits	60,230	201,760
– Other comprehensive income	–	–
– Total comprehensive income	60,230	201,760
Associates		
Total carrying amount	27,718,986	26,242,897
The Group's share of the following items		
– Net profits	77,104	304,389
– Other comprehensive income	(1,168)	3,771
– Total comprehensive income	75,936	308,160

(3) In the reporting period, there were no significant restrictions on the realization of long-term equity investments, or on the remittance of cash arising from the investment income in joint ventures and associates.

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Equity in structured entities included in the consolidated financial statements

As at 31 December 2024 the total amount of main structured entities included in the consolidated financial statements of the Group was approximately RMB16,041,080,000, of which the amount subscribed by the Group was approximately RMB7,936,520,000. As at 31 December 2024, the amount paid by the Group was approximately RMB4,145,634,000, of which approximately RMB4,176,858,000 was accounted for in minority interests, approximately RMB3,800,000,000 was accounted for in other payables and approximately RMB376,858,000 was accounted for in the long-term payables. The Group has no obligation or intention to provide financial support to these structured entities.

4. Equity in structured entities not included in the consolidated financial statements

As at 31 December 2024, the Group has cumulatively issued asset-backed securities and asset-backed notes of RMB28,462,000,000, and the subordinated tranches of the related asset-backed securities and asset-backed notes were RMB1,458,750,000. For the purpose of liquidity, the Company is obligated to make up the difference between the principal and fixed income of senior asset-backed securities and asset-backed notes in the amount of RMB27,003,250,000 and the distributable funds of the special asset-backed securities plan and asset-backed note trust in each phase. These special plans and trusts are not consolidated as the Group does not hold inferior shares and the probability of future liquidity supplement is assessed to be low.

As at 31 December 2024, the total amount of main structured entities not included in the consolidated financial statements participated by certain subsidiaries of the Group was approximately RMB43,021,265,000, of which approximately RMB5,017,847,000 was subscribed by the Group and approximately RMB38,003,418,000 was subscribed by other investors. Such structured entities were not consolidated as the Group does not have control over them. As at 31 December 2024, the Group's paid-in amount was approximately RMB3,701,304,000, of which approximately RMB203,120,000 was accounted for in long-term equity investments and approximately RMB3,498,184,000 was accounted for in other non-current financial assets. The Group's maximum exposure to these structured entities is the Group's paid-in capital contribution as of the balance sheet date. The Group has no obligation or intention to provide financial support to these structured entities.

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X. GOVERNMENT GRANTS

1. liabilities related to government grants

At 31 December 2024, liabilities related to government grants are as follows:

All amounts in RMB'000

Government grants	Opening balance	Addition	Included in non-operating income for the year	Included in other income for the year	Other changes for the year	Closing balance	Related to assets/income
Deferred income	948,172	196,231	5,441	130,957	66,215	941,790	Related to assets/income

There were no material government grants refund this year.

2. The government grants recognized in P/L for the current year

The government grants recognized in P/L for the current year are as follows:

All amounts in RMB'000

Category	2024	2023
Asset-related		
Recognized as other income	105,864	29,408
Recognized as non-operating income	251	251
Income-related		
Recognized as other income	300,922	392,502
Recognized as non-operating income	40,005	29,089
Deduct operating cost	1,369	8,251
Deduct research and development expenditure	16,056	41,688
Deduct administrative expenses	55,824	57,344
Total	520,291	558,533

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

1. Financial instruments and risk management

The Group's operating activities expose to a variety of financial risks: market risk (mainly including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner to address the uncertainty of financial market and to reduce the potential negative impact on the operating results of the Group.

(1) Market risk

(a) Foreign exchange risks

The functional currency of a majority of the entities within the Group is RMB and most of the transactions are settled in RMB. However, there are also foreign currencies denominated transactions. The Group's exposure to foreign exchange risk relates principally to United States Dollars ("USD"). To monitor the impact of exchange rate fluctuations, the Group continually assesses and monitors its exposure to foreign exchange risk. Management continuously monitors foreign exchange exposure and will prudently consider hedging significant foreign exchange exposure should the need arises. The Group uses foreign exchange forward contracts and currency swap contracts to offset part of the foreign exchange risk. The management is of the view that the reasonable fluctuation of the exchange rate in the near future will not have a significant impact on the operating results of the Group.

Details of the Group's foreign currencies denominated financial assets and financial liabilities (amount translated into RMB) as at 31 December 2024 are set out in Note VII 71.

As at 31 December 2024, for financial assets and financial liabilities in foreign currencies, mainly influenced by the exchange rate of RMB against USD, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, the profit after tax of the Group would have been approximately RMB61,369,000 higher/lower (as at 31 December 2023: approximately RMB67,630,000 lower/higher).

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Financial instruments and risk management (Continued)

(1) Market risk (Continued)

(b) Interest rate risk

The interest bearing debts at fixed rates expose the Group to fair value interest-rate risk, relating to bank borrowings at fixed rates and bonds payable at fixed rates, etc.

The interest bearing debts at floating rates expose the Group to cash flow interest-rate risk. The Group chooses the relative proportion of borrowing contracts with floating rates and those with fixed rates according to current market conditions. As at 31 December 2024, short-term borrowings of the Group were RMB33,853,836,000 (as at 31 December 2023: RMB28,220,281,000); long-term interest bearing debts at floating rates due within one year were RMB5,988,647,000 (as at 31 December 2023: RMB3,145,481,000); long-term interest bearing debts at floating rates due over one year were RMB26,179,967,000 (as at 31 December 2023: RMB20,299,237,000); long-term interest bearing debts at fixed rates due within one year were RMB8,751,546,000 (as at 31 December 2023: RMB4,316,063,000); and long-term interest bearing debts at fixed rates due over one year were RMB18,818,835,000 (as at 31 December 2023: RMB17,321,842,000) (Notes VII 27, 36,38, 39, 41).

The treasury department of the headquarters of the Group continually monitors the level of interest rates. Any rise in interest rate would increase the cost of new borrowings and interest installments of existing loans with floating interest arrangements and generate significant negative financial effects on the Group's overall financial performance. The management would make timely strategic adjustments according to latest market conditions; the adjustments of reducing interest rate risk may include the interest rate swap arrangement included in the Group's currency swap contracts during the reporting year.

During the current year, if the respective interest rates on RMB-denominated floating-rate borrowings had been 100 basis points higher/lower with all other variables held constant and no interest capitalization involved, profit after income tax of the Group would have been RMB281,116,000 lower/higher (2023: approximately RMB212,136,000 lower/higher).

During the current year, if the interest rates on USD and other foreign currency-denominated floating-rate borrowings had been 100 basis points higher/lower with all other variables held constant, profit after income tax of the Group would have been RMB23,829,000 lower/higher (2023: approximately RMB19,227,000 lower/higher).

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Financial instruments and risk management (Continued)

(2) Credit risk

As at 31 December 2024, the Group's maximum exposure to credit risk which could cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from: the carrying amount of bank deposits, bills receivable and accounts receivable, contract assets, other receivables and long-term receivables recognized in the balance sheet of the Group.

To reduce credit risk, the Group has policies in place to ensure that services are rendered and products are sold to customers with appropriate credit history and the Group performs periodic credit evaluations of its customers according to their financial conditions, the likelihood of obtaining guarantee from the third party, credit history and others such as the current market conditions. The Group regularly monitors its customers' credit history, and for customers with bad credit history, the Group shall issue reminder notices, shorten or cancel the credit period to make sure that the Group's overall credit risk is under control.

The credit risk on the bank deposits of the Group is limited because they are deposited with national banks and other large and medium listing banks.

In addition, external guarantees incurred by the Group may also result in financial losses. As at 31 December 2024, the Group's external guarantee refers to Note XIV 2(1) (b).

In addition to separately determining the credit loss of individual amounts with significant credit impairment incurred, the Group evaluates the expected credit loss of receivables by using an impairment matrix on a portfolio basis. The Group's accounts receivable involve a large number of customers, and the aging information can reflect the solvency of these customers. The Group divided accounts receivable into several portfolios based on the credit risk characteristics of different types of customers, calculated the historical actual loss rate of every portfolio in different ages according to the historical data, and then adjusted the expected credit loss rate after considering the current and future economic forecast, such as national GDP growth, consumer price index and other forward-looking information. For contract assets and long-term receivables, the Group reasonably evaluates the expected credit loss after considering the settlement period, the payment period of the contract, the financial position and the economic situation of the debtor and considering the above forward-looking information. For other financial assets, the Group calculates the expected credit loss rate through its default exposure and the rate of expected credit loss over the next 12 months or for the entire duration.

Please refer to Note V 11(2) in respect of the specific methods to assess whether the credit risk has been increased remarkably since initial recognition, the basis to determine whether a credit impairment has happened to the financial assets, the combination methods to divide the financial instruments in a combination as base assessment of anticipated credit risk, and the policies to write down the financial instruments directly.

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For the year ended 31 December 2024

XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Financial instruments and risk management (Continued)

(3) Liquidity risk

Subsidiaries of the Group take responsibility of their own cash flow forecast. On the basis of summarizing cash flow forecasts from subsidiaries, the treasury department at the headquarters continuously monitors both short-term and long-term financing needs on the Group level in order to obtain adequate cash reserve and quoted securities. Meanwhile, the treasury department will constantly monitor any non-compliance of borrowings and obtain sufficient loan facilities from major financial institutions to meet both short-term and long-term financing needs.

Trade payables related to supplier financing arrangements are payable to a single counterparty rather than to a single supplier. This has resulted in the transfer of small amounts previously pending settlement with multiple suppliers to large amounts pending settlement with a single counterparty. However, the payment terms of the accounts payable covered by the vendor financing arrangements are extended by no more than one year, and some payments are made on the same terms as other accounts payable. In view of the fact that the payment terms have not been significantly extended, the Group does not believe that vendor financing arrangements will result in excessive concentration of liquidity risk. As at 31 December 2024, the Group's future payment obligations to financial institutions accounted for 5.58% of the total liabilities, with repayment maturity dates ranging from 6 January 2025 to 31 December 2025.

Analysis of the maturity profile of financial liabilities and lease liabilities of the Group based on the undiscounted remaining contractual obligations as at 31 December 2024 were as follows:

All amounts in RMB'000

Items	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities:					
Short-term borrowings	34,339,369	—	—	—	34,339,369
Derivative financial liabilities	755,963	—	—	—	755,963
Bills payable	30,147,409	—	—	—	30,147,409
Accounts payable	335,085,043	—	—	—	335,085,043
Other payables	55,844,487	—	—	—	55,844,487
Long-term borrowings	14,767,579	12,580,134	13,849,288	24,858,592	66,055,593
Bonds payable	1,608,438	142,800	2,277,763	2,243,230	6,272,231
Lease liabilities	169,674	128,783	248,684	101,057	648,198
Long-term payables	323,620	424,494	532,242	445,182	1,725,538
Total	473,041,582	13,276,211	16,907,977	27,648,061	530,873,831

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For the year ended 31 December 2024

XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

At 31 December 2024, the carrying amount of bank acceptance bills and commercial acceptance bills endorsed and discounted by the Group was RMB2,785,078,000 (31 December 2023: RMB3,168,609,000). In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include default risks relating to such endorsed and discounted bills, and accordingly, it continued to recognise the full carrying amounts of the endorsed and discounted bills, the associated accounts payable settled, or bank borrowings. Subsequent to the endorsement or discount, the Group did not retain any rights on the use of the endorsed and discounted bills, including the sale, transfer or pledge of them to any other third parties. The aggregate carrying amount of the accounts payable settled by the endorsed and discounted bills or bank borrowings obtained during the year to which the suppliers have recourse was RMB2,785,078,000 (31 December 2023: RMB3,168,609,000) at 31 December 2024.

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

At 31 December 2024, the carrying amount of bank acceptance bills endorsed and discounted by the Group but not yet due was RMB12,216,298,000 (31 December 2023: RMB15,533,344,000). The derecognised bills had a maturity of 1 to 12 months at 31 December 2024. In accordance with the *Law of Negotiable Instruments*, the holders of the derecognised bills may exercise the right of recourse against any, several or all of the persons, including the Group, liable for the derecognised bills regardless of the order of precedence (the “continuing involvement”). In the opinion of the Group, the Group has transferred substantially all the risks and rewards relating to the derecognised bills. Accordingly, it has derecognised the full carrying amounts of the derecognised bills and the associated accounts payable, and recognised discounting fees. The maximum exposure to loss from the Group’s continuing involvement in the derecognised bills and the undiscounted cash flows to repurchase these derecognised bills is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group’s continuing involvement in the derecognised bills are not significant.

At 31 December 2024, the Group transferred accounts receivable at amortised cost to financial institutions or sold them to third parties by way of non-recourse factoring and asset securitisation. The total outstanding balance of derecognised receivables was RMB96,096,465,000, and the loss of RMB1,086,733,000 was recognised and included in investment losses. Under this arrangement, the Group has transferred substantially all the risks and rewards of ownership of accounts receivable to the special plan, and therefore derecognised the related accounts receivable.

During the year ended 31 December 2024, the Group has not recognised any gain or loss on the date of transfer of the derecognised bills. No gains or losses were recognised from the continuing involvement, both during the year or cumulatively. The endorsement and discounting has been made evenly throughout the year.

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For the year ended 31 December 2024

XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

4. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as the total borrowings (including short-term borrowings, long-term borrowings, bonds payable and lease liabilities) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet, plus net debt. The Group aims to maintain the gearing ratio at a reasonable level.

The gearing ratios of the Group as at 31 December 2024 and 31 December 2023 are as follows:

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Total borrowings:		
Short-term borrowings (Note VII 27)	33,853,836	28,220,281
Long-term borrowings (inclusive of those due within one year) (Note VII 38)	53,272,119	41,435,783
Bonds payable (inclusive of those due within one year) (Note VII 39)	5,455,291	3,417,153
Lease liabilities (inclusive of those due within one year) (Note VII 40)	576,601	731,706
Less: Cash and cash equivalents (Note VII 70(3))	43,190,604	33,850,108
Net debt	49,967,243	39,954,815
Shareholders' equity	182,335,866	167,991,165
Total capital	232,303,109	207,945,980
The gearing ratio	21.51%	19.21%

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For the year ended 31 December 2024

XII. FAIR VALUE DISCLOSURES

1. Fair value of the Group's financial assets and financial liabilities that are measured at fair value at the end of the year

All amounts in RMB'000

Items	Fair value as at 31 December 2024			Total
	Level 1 of the fair value hierarchy (a)	Level 2 of the fair value hierarchy (b)	Level 3 of the fair value hierarchy (c) (d)	
1. Assets that are measured at fair value on a recurring basis				
Financial assets held for trading				
– Investments in equity instruments	1,509	–	1,261	2,770
Other non-current financial assets				
– Investments in unquoted funds and trust products	–	4,577,849	–	4,577,849
– Others	–	–	297,720	297,720
Receivables at FVTOCI	–	8,597,053	–	8,597,053
Investments in other equity instruments				
– Listed equity investments	453,506	–	–	453,506
– Unlisted equity investments	–	–	1,244,781	1,244,781
TOTAL	455,015	13,174,902	1,543,762	15,173,679
2. Liabilities that are measured at fair value on a recurring basis				
Derivative financial liabilities	–	755,963	–	755,963
TOTAL	–	755,963	–	755,963

(a) The basis of market prices determined on level 1 of the fair value hierarchy

Fair values of held-for-trading financial assets and non-tradable equity instruments of listed companies regarded as investments in other equity instruments are based on their closing prices of publicly traded market on the last trading day of the reporting period.

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For the year ended 31 December 2024

XII. FAIR VALUE DISCLOSURES (CONTINUED)

1. Fair value of the Group's financial assets and financial liabilities that are measured at fair value at the end of the year (Continued)

(b) Qualitative and quantitative information of valuation techniques and key inputs on level 2 of the fair value hierarchy

Items	Valuation techniques	Key inputs
Other non-current financial assets – Investments in unquoted funds and trust products	Discounted cash flow method	Average yield rate of similar products of the same term
Derivative financial instruments	Discounted cash flow method	The forward rate
Receivables at FVTOCI	Discounted cash flow method	Discounting rate of bank acceptance for the same

(c) Qualitative and quantitative information of valuation techniques and key inputs on level 3 of the fair value hierarchy

Items	Valuation techniques	Key inputs
Financial assets held for trading- Unlisted equity investments, – other equity instrument investments – Investments in non-trading equity instruments in unlisted companies, other non-current financial assets – Investments in unquoted fund and trust products and others	Cost method/Market method/Income method	Future cash flows, discount rate and key financial ratios of comparable listed companies of the same industry

(d) Reconciliation information of the opening balance and the closing balance on level 3 of the fair value hierarchy

All amounts in RMB'000

Items	31 December 2023	Additions for the period	Fair value changes for the current year	Disposal for the year	31 December 2024
Financial assets held for trading – Non listed equity investments	638	623	–	–	1,261
Other equity instrument investments – Investments in non-trading equity instruments in unlisted companies	814,533	409,309	23,298	(2,359)	1,244,781
Other non-current financial assets – Non listed equity investments	191,190	110,202	1,428	(5,100)	297,720

There was no transfer between any levels of the fair value hierarchy in the reporting period. There was no change in the valuation techniques in the reporting period

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For the year ended 31 December 2024

XII. FAIR VALUE DISCLOSURES (CONTINUED)

2. Fair value of financial assets and financial liabilities that are measured at fair value on a non-recurring basis

Bills receivables, accounts receivables, other receivables, long-term receivables, non-current assets due within one year, short-term borrowings, bills payables, accounts payables, other payables, long-term borrowings, bonds payable, long-term payables and non-current liabilities due within one year included in the financial assets/liabilities are measured at fair value on a non-recurring basis.

XIII. RELATED PARTIES AND TRANSACTIONS

1. Details of the parent company of the Company

All amounts in RMB'000

Parent Company Name	Place of registration activities	Principal	Registered capital	Percentage of ownership interest in the Company (%)	Percentage of voting rights in the Company (%)
China Minmetals Corporation Limited	Beijing	Trade economy and agency, import and export	10,200,000	44.26	44.26

As stated in Note III, CMC together with its other subsidiaries other than the Company are the Group's related party.

Related party transactions between the Company and CMC together with its other subsidiaries other than the Company also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

SASAC is the ultimate controlling party of the Group.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note IX 1.

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS

3. Joint ventures and associates of the Group

Details of the principal joint ventures and associates of the Group are set out in Note IX 2.

Joint ventures and associates entered into transactions with the Group during the year, or during the prior year with remaining closing balances were as follows:

Name of joint ventures and associates	Relationship with the Group
Juncheng Development and Construction Co., Ltd.	Joint venture
Beijing Tiancheng Guyun Property Management Co., Ltd.	Joint venture
Beijing MCC Mingying Real Estate Development Co., Ltd.	Joint venture
Cangzhou Xinbei Urban Renewal Co., Ltd	Joint venture
Qianxi County Changtu Tourism Development Co., Ltd	Joint venture
Shiyan Baoye Urban Construction Co., Ltd.	Joint venture
Sichuan Baojiang Data Industrial Park Development and Construction Co., Ltd	Joint venture
Suzhou Zhongyuanrui Real Estate Development Co., Ltd.	Joint venture
Tangshan Fengrun District Runfeng Municipal Infrastructure Development and Construction Co., Ltd.	Joint venture
Tianjin MCC Mingjin Real Estate Co., Ltd.	Joint venture
MCC Jiaotou Shanzhu Chengdu Prefabricated Building Technology Development Co., Ltd	Joint venture
Xichang Anmin City Construction Investment Co., Ltd.	Joint venture
Chongqing Yuxiang Double Track Expressway Co., Ltd.	Joint venture
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	Joint venture
Dazhou Yejian Engineering Project Management Co., Ltd	Joint venture
Wuhan Economic Development Artificial Intelligence Technology Park Construction Investment Co., Ltd	Associate
Xi'an Jingang Dingsheng Real Estate Co., Ltd	Associate
Xi'an MCC Pipe Gallery Construction Management Co., Ltd	Associate
Xuanen Green Landscape Construction Engineering Co., Ltd	Associate
Yancheng Hexuan Real Estate Co., Ltd	Associate
Yichang High Speed Railway New Town Construction Co., Ltd.	Associate
Yinchuan Mancheng Street Underground Comprehensive Pipe. Network Construction and Management Co., Ltd	Associate
Yuhuan Tianshang Construction and Development Co., Ltd	Associate
Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	Associate
Yunnan Mangliang Expressway Investment Development Co., Ltd.	Associate
Yunnan Yongmeng Expressway Construction and Development Co., Ltd.	Associate
Changzhi Zhonghui Sanguan Yiyuan Construction Co., Ltd.	Associate
Zhengzhou Huituo Urban Rural Construction Co., Ltd.	Associate
Real Estate Dana Meila Co., Ltd	Associate
MCC Baoding Development and Construction Co., Ltd.	Associate

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates of the Group (Continued)

Joint ventures and associates entered into transactions with the Group during the year, or during the prior year with remaining closing balances were as follows: (Continued)

Name of joint ventures and associates	Relationship with the Group
MCC Jingcheng (Xiangtan) HEAVY Industrial Equipment Co., Ltd.	Associate
Chongqing Guangjiu Construction Project Management Co., Ltd	Associate
Chongqing Jiangjin District Tuanjie Lake Construction and Operation Co., Ltd	Associate
Chongqing Yunkai Expressway Co., Ltd.	Associate
Anhui MCC Huaihai Prefabricated Construction Co., Ltd	Associate
Bengbu Jin'an Real Estate Co., Ltd.	Associate
Baoding Gongxing Pipe Corridor Project Management Co., Ltd	Associate
Binhai Shengxin Project Management Co., Ltd	Associate
Chongzuo Guoye Investment Development Co., Ltd.	Associate
Dazhou Kaiye Engineering Project Management Co., Ltd.	Associate
Dazhou Guanshi Metallurgical Construction Engineering Co., Ltd.	Associate
Dancheng Zhongyi Ecological Environment Management Co., Ltd.	Associate
Deyang Tianfu Jingye Construction Co., Ltd	Associate
Ezhou Xinsheng Construction Engineering Co., Ltd.	Associate
China 22 MCC Corporation Industrial Technology Service Co., Ltd.	Associate
Gansu Gonghanglv Tongding Expressway Management Co., Ltd.	Associate
Guangzhou Guanlang Construction Investment Co., Ltd.	Associate
Guizhou MCC Infrastructure Investment Co., Ltd.	Associate
Handan Jinxin Xinghua Pipe Gallery Construction Co., Ltd	Associate
Handan Jinrong Development and Construction Co., Ltd	Associate
Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	Associate
Hebei Xiong'an Rongxi Concrete Co., Ltd	Associate
Honghe Luqiu Expressway Investment and Development Co., Ltd.	Associate
Hunan Chachang Expressway Construction and Development Co., Ltd.	Associate
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	Associate
Huzhou Nanxun Xinhe Urban Construction Management Co., Ltd.	Associate
Huangshi Urban Green Environment Development Co., Ltd	Associate
Jiujiang Three Gorges Phase II Water Environment Comprehensive Treatment Co., Ltd	Associate
Lianhuo Qingzhong Expressway Construction Development Co., Ltd.	Associate
Lanzhou Zhenghao Pipe Corridor Project Management Co., Ltd	Associate
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	Associate
Luxi Huarui Construction Engineering Management Co., Ltd.	Associate
Ma'anshan Chengnan Real Estate Development Co., Ltd.	Associate
Ma'anshan Jin'an Borui Real Estate Co., Ltd	Associate

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates of the Group (Continued)

Joint ventures and associates entered into transactions with the Group during the year, or during the prior year with remaining closing balances were as follows: (Continued)

Name of joint ventures and associates	Relationship with the Group
Ma'anshan Metallurgical High tech Construction Co., Ltd	Associate
Nanyang Jinye Real Estate Development Co., Ltd.	Associate
Inner Mongolia Tongye Construction Project Management Co., Ltd.	Associate
Puyang Jinhe Yuxin Construction Engineering Co., Ltd.	Associate
Shandong Expressway Jiqing Middle Line Highway Co., Ltd.	Associate
Shanghai Libo Urban Construction and Development Co., Ltd	Associate
Shanghai Ruiyuan Urban Construction Development Co., Ltd.	Associate
Shanghai Xunjie Real Estate Co., Ltd.	Associate
Shanghai Yuepu South Concrete Co., Ltd.	Associate
Shi Gang Jing Cheng Equipment Development and Manufacturing Co., Ltd.	Associate
Shijiazhuang Hengxi Highway Construction Management Co., Ltd	Associate
Shuicheng County Blue Ocean Huaxing Education Investment and Construction Co., Ltd	Associate
Sixian Siye Construction Investment Co., Ltd.	Associate
Suqian Metallurgical Construction Development Co., Ltd.	Associate
Suining Kaihong Construction Development Co., Ltd.	Associate
Tangshan MCC Ark Real Estate Development Co., Ltd.	Associate
Tianjin MCC Tuanbo Urban Rural Development Co., Ltd.	Associate
Weihai Zhiye Health Care Construction Project Management Co., Ltd	Associate
Wuhu Jinjiang Ruijing Real Estate Co., Ltd.	Associate
Guigang Guoye Pipe Gallery Construction Co., Ltd. (Note)	Associate
Guangxi Guoye Transportation Investment Co., Ltd (Note)	Associate
Qiqihar North MCC Real Estate Co., Ltd. (Note)	Associate
Anhui Hongxing Construction Engineering Co., Ltd	Associate
Ezhou Liangzihu Infrastructure Investment Construction Co., Ltd.	Associate
Hangzhou Fuyou Construction Management Co., Ltd.	Associate
Yibin Xuye Engineering Construction Co., Ltd	Associate
Yibin Wenye Construction Engineering Co., Ltd	Associate
Baoding Mingbao Real Estate Development Co., Ltd	Associate
Shanghai Boweida Construction Engineering Co., Ltd	Subsidiaries of Associate
Shanghai Siruiwei Urban Construction Engineering Co., Ltd.	Subsidiaries of Associate

Note: Guigang Guoye Pipe Gallery Construction Co., Ltd.、Guangxi Guoye Transportation Investment Co., Ltd、Qiqihar North MCC Real Estate Co., Ltd. have been transformed into a subsidiary of the Company during this period. For more details, please refer to Note VIII 1.

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Group

Other related parties entered into transactions with the Group during the year, or during the prior year with closing balance were as follows, such transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange:

Name of other related parties	Relationship with the Group
Jiuquan Iron and Steel (Group) Co., Ltd. and all its subsidiaries	Shareholders hold more than 10% of the shares of an important subsidiary of MCC
Subsidiaries of China Minmetals Corporation:	
China Metallurgical Group Corporation (<i>Note 1</i>)	Under common control of China Minmetals Corporation
MCC Ruimu Ampere Technology Limited (<i>Note 1</i>)	Under common control of China Minmetals Corporation
Chengdu Xiangkuang Real Estate Co., Ltd	Under common control of China Minmetals Corporation
The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals	Under common control of China Minmetals Corporation
Minmetals Steel Qingdao Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Nonferrous Metals Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Xi'an Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Chengdu Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Land Holding Co.,Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel (Wuhan) Limited Company	Under common control of China Minmetals Corporation
Minmetals Steel Shanghai Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Co.,Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Beijing Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Tianjin Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Trading Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Lanzhou Co., Ltd.	Under common control of China Minmetals Corporation

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Group (Continued)

Other related parties entered into transactions with the Group during the year, or during the prior year with closing balance were as follows, such transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange: (Continued)

Name of other related parties	Relationship with the Group
Minmetals Steel Guangzhou Co., Ltd.	Under common control of China Minmetals Corporation
Zhuzhou Smelter Nonferrous Metals Industrial Co., Ltd.	Under common control of China Minmetals Corporation
China Minmetals Co.,Ltd.	Under common control of China Minmetals Corporation
China Minmetals Corporation Limited	Under common control of China Minmetals Corporation
China National Foreign Trade Financial & Leasing Co., Ltd.	Under common control of China Minmetals Corporation
Jianhe Innovation Technology (Hainan) Co., Ltd.	Under common control of China Minmetals Corporation
Anshan Minmetals Chentaigou Mining Co., Ltd.	Under common control of China Minmetals Corporation
Beijing Dongxing Metallurgical New Technology Development Co., Ltd.	Under common control of China Minmetals Corporation
Hunan J&S Real Estate Development Co., Ltd.	Under common control of China Minmetals Corporation
Chengdu Hongqiang Property Management Co.,Ltd.	Under common control of China Minmetals Corporation
Minmetals Property Services Company Limited	Under common control of China Minmetals Corporation
Minmetals Hanxing Mining (Anhui) Property Management Co., Ltd.	Under common control of China Minmetals Corporation
Beijing Fifth Square Real Estate Co., Ltd	Under common control of China Minmetals Corporation
Minmetals Finance Company	Under common control of China Minmetals Corporation

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Group (Continued)

Other related parties entered into transactions with the Group during the year, or during the prior year with closing balance were as follows, such transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange: (Continued)

Name of other related parties	Relationship with the Group
Minmetals International Trust Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Chongqing Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Nonferrous Metals Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Logistics Group Co., Ltd	Under common control of China Minmetals Corporation
Wukuang Longteng Intermodal Transport (Shanghai) Co., Ltd	Under common control of China Minmetals Corporation
Minmetals 23rd Metallurgical Construction Group fourth Engineering Co., LTD.	Under common control of China Minmetals Corporation
Northern Europe Metal Minerals Co., Ltd	Under common control of China Minmetals Corporation
Minmetals Salt Lake Co., Ltd	Under common control of China Minmetals Corporation
Minmetals Shengshi Guangye (Beijing) Co., Ltd	Under common control of China Minmetals Corporation
Minmetals Luzhong MINING Co., Ltd.	Under common control of China Minmetals Corporation
Luobei Yunshan Graphite New Material Co., Ltd.	Under common control of China Minmetals Corporation
Chengdu Kuangyi Real Estate Co., Ltd	Under common control of China Minmetals Corporation
Hunan Kuangxiang Real Estate Co., Ltd	Under common control of China Minmetals Corporation
Boluo County Bihua Real Estate Development Co., Ltd.	Under common control of China Minmetals Corporation
Hunan Kuangya Real Estate Development Co., Ltd	Under common control of China Minmetals Corporation
Laiwu Laixin Iron Ore Co., Ltd	Under common control of China Minmetals Corporation
Minmetals Copper (Hunan) Company Limited	Under common control of China Minmetals Corporation

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Group (Continued)

Other related parties entered into transactions with the Group during the year, or during the prior year with closing balance were as follows, such transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange: (Continued)

Name of other related parties	Relationship with the Group
Guangzhou Pincheng Real Estate Development Co., Ltd	Under common control of China Minmetals Corporation
Tangshan Runda Property Service Co.,Ltd.	Minmetals holds more than 30% of the equity of a significant impact but is not consolidated
Shanghai Longnan Metallurgical Investment Construction Management Co., Ltd	Minmetals holds more than 30% of the equity of a significant impact but is not consolidated
Yancheng Dafeng Yexin Construction Engineering Development Co., Ltd	Minmetals holds more than 30% of the equity of a significant impact but is not consolidated
Yantai Tongyuan Tianfu Construction Management Co., Ltd	Minmetals holds more than 30% of the equity of a significant impact but is not consolidated
Hubei Dongye Construction Investment Co., Ltd	Minmetals holds more than 30% of the equity of a significant impact but is not consolidated
Nanyang Yuye Urban Development Co., Ltd	Minmetals holds more than 30% of the equity of a significant impact but is not consolidated
Puyang Guoye Urban Development Construction Co., Ltd	Minmetals holds more than 30% of the equity of a significant impact but is not consolidated

Note 1: In December 2024, MCC Group transferred 9,171,860,000 A-shares of the Company (44.26% of the total equity of the Company) held by it to China Minmetals for free. After the completion of gratuitous transfer, the related relationship between the Company and China Metallurgical Science and Industry Group Co., Ltd. has changed from a parent subsidiary to a company controlled by China Minmetals; The relationship between the Company and MCC Ruimu New Energy Technology Co., Ltd. has changed from a company controlled by MCC Group to a company controlled by China Minmetals.

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions

(1) Purchase or sales of goods, provision or receipt of services

(a) Purchase of goods and receipt of services

All amounts in RMB'000

Related parties	Related party transactions	2024	2023
Transactions of companies under common control by CMC (Note 1):	/	10,053,122	13,150,954
China Metallurgical Group Corporation	Receipt of services	1,026	536
Minmetals Steel Chengdu Co., Ltd.	Purchase of goods	3,404,593	4,798,994
Minmetals Steel Shanghai Co., Ltd.	Purchase of goods	1,221,722	2,213,261
Minmetals Steel (Wuhan) Limited Company	Purchase of goods	1,032,240	735,972
Minmetals Steel Co., Ltd.	Purchase of goods	699,357	705,132
Minmetals Steel Tianjin Co., Ltd.	Purchase of goods	557,087	957,140
Minmetals Steel Chongqing Co., Ltd.	Purchase of goods	526,636	799,204
Minmetals Trading Co., Ltd.	Purchase of goods	483,447	308,462
Minmetals Nonferrous Metals Co., Ltd.	Purchase of goods	472,137	145,233
Minmetals Steel Beijing Co., Ltd.	Purchase of goods	469,100	513,745
The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals	Receipt of services	252,817	91,651
Minmetals Logistics Group Co., Ltd.	Purchase of goods and receipt of services	204,193	251,911
Minmetals Steel Guangzhou Co., Ltd.	Purchase of goods	160,525	593,706
Minmetals Steel Lanzhou Co., Ltd.	Purchase of goods	123,735	479,600
Minmetals Nonferrous Metals Co., Ltd.	Purchase of goods	111,526	165,782
Minmetals Steel Qingdao Co., Ltd.	Purchase of goods	75,307	48,851
Wukuang Longteng Intermodal Transport (Shanghai) Co., Ltd.	Receipt of services	61,883	–
Minmetals 23rd Metallurgical Construction Group fourth Engineering Co., LTD	Purchase of goods	41,868	85,949
Others	Purchase of goods and receipt of services	153,923	255,825

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Purchase or sales of goods, provision or receipt of services (Continued)

(a) Purchase of goods and receipt of services (Continued)

All amounts in RMB'000

Related parties	Related party transactions	2024	2023
Transactions with joint ventures and associates /		3,137,177	3,411,777
(Note 2):			
Shanghai Ruiyuan Urban Construction Development Co., Ltd.	Purchase of goods	877,448	709,503
Shanghai Boweida Construction Engineering Co., LTD	Receipt of services	783,351	1,254,506
Shanghai Libo City Construction and Development Co., LTD	Receipt of services	445,790	363,091
China 22 MCC Corporation Industrial Technology Service Co., Ltd.	Receipt of services	415,678	313,918
MCC Jiaotou Shanzhu Chengdu Prefabricated Building Technology Development Co., Ltd	Purchase of goods and Receipt of services	258,945	317,273
Shanghai Siruiwei Urban Construction Engineering Co., Ltd.	Receipt of services	138,235	74,522
MCC Jingcheng (Xiangtan) HEAVY Industrial Equipment Co., Ltd.	Purchase of goods and receipt of services	124,490	73,956
Shi Gang Jing Cheng Equipment Development and Manufacturing Co., Ltd.	Purchase of goods and receipt of services	23,545	3,253
Shanghai Yuepu South Concrete Co., Ltd.	Purchase of goods	20,761	21,363
Anhui MCC Huaihai Prefabricated Construction Co., Ltd	Receipt of services	12,716	128,496
Others	Purchase of goods receipt of services	36,218	151,896

Note 1: These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange. The Cap for such related transactions in 2024 is RMB26,697,130,000.

Note 2: The Cap for such related transactions in 2024 does not apply.

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Purchase or sales of goods, provision or receipt of services (Continued)

(b) Sales of goods and provision of services

All amounts in RMB'000

Related parties	Related party transactions	2024	2023
Transactions with shareholders holding more than 10% of the shares of a significant subsidiary of MCC (Note 1):	/	1,426,003	299,749
Jiuquan Iron and Steel (Group) Co., Ltd. and all its subsidiaries	Sale of goods and provision of services	1,426,003	299,749
Transactions of companies under common control by CMC (Note 1):	/	5,840,675	6,974,086
MCC Ruimu Ampere Technology Limited	Sale of goods and provision of services	449,558	188,591
China Metallurgical Group Corporation	provision of services	37,678	283
Minmetals Nonferrous Metals Co., Ltd.	Sale of goods and provision of services	2,705,893	3,370,746
Northern Europe Metal Minerals Co., Ltd	Sale of goods	419,634	276,105
Minmetals Salt Lake Co., Ltd	Provision of services	350,902	148,675
Minmetals Shengshi Guangye (Beijing) Co., Ltd	Provision of services	187,578	307,977
Anshan Minmetals Chentaigou Mining Co., Ltd.	provision of services	186,041	38,083
Minmetals Land Holding Co., Ltd.	provision of services	113,444	243,292
Minmetals Luzhong MINING Co., Ltd.	provision of services	106,302	84,073
Luobei Yunshan Graphite New Material Co., Ltd.	Sale of goods and provision of services	95,980	386,744
Chengdu Kuangyi Real Estate Co., Ltd	Provision of services	91,896	167,594
Hunan Kuangxiang Real Estate Co., Ltd	Provision of services	80,153	60,331
Boluo County Bihua Real Estate Development Co., Ltd.	Provision of services	77,010	35,706
Hunan Kuangya Real Estate Development Co., Ltd	Provision of services	77,008	35,416
Laiwu Laixin Iron Ore Co., Ltd	Provision of services	75,526	68,776
Minmetals Copper (Hunan) Company Limited	Sale of goods	71,956	1,843
Minmetals Steel Shanghai Co., Ltd.	Sale of goods	59,465	7,724

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Purchase or sales of goods, provision or receipt of services (Continued)

(b) Sales of goods and provision of services (Continued)

All amounts in RMB'000

Related parties	Related party transactions	2024	2023
Guangzhou Pincheng Real Estate Development Co., Ltd	Provision of services	51,680	269,833
Others	Sale of goods and provision of services	602,971	1,282,294
Transactions with companies in which Minmetals holds more than 30% of the equity interest but are not consolidated (Note 1):	/	3,529,561	2,271,878
Hubei Dongye Construction and Investment Co. LTD	Provision of services	1,824,950	282,945
Nanyang Yuye Urban Development Co., Ltd	Provision of services	1,403,502	507,066
Longnan Metallurgical Construction Management Co., LTD	Provision of services	236,160	649,586
Puyang Guoye Chengfa Construction Co., Ltd.	Provision of services	57,903	654,058
Yantai Tongyuan Tianfu Construction Management Co., LTD	Provision of services	7,046	178,223
Transactions with joint ventures and associates (Note 2):	/	33,132,004	51,922,099
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	Provision of services	2,858,310	2,467,166
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	Provision of services	1,905,276	1,409,085
Shijiazhuang Hengxi Highway Construction Management Co., Ltd	Provision of services	1,107,509	–
Dazhou Guanshi Metallurgical Construction Engineering Co., Ltd.	Provision of services	955,395	–
Dazhou Kaiye Engineering Project Management Co., Ltd.	Provision of services	846,462	947,550
Chongqing Guangjiu Construction Project Management Co., Ltd	Provision of services	846,141	465,545
Hunan Chachang Expressway Construction and Development Co., Ltd.	Provision of services	826,248	1,265,984
Chongqing Yunkai Expressway Co., Ltd.	Provision of services	801,904	1,382,402

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Purchase or sales of goods, provision or receipt of services (Continued)

(b) Sales of goods and provision of services (Continued)

All amounts in RMB'000

Related parties	Related party transactions	2024	2023
Chongqing Yuxiang Double Track Expressway Co., Ltd.	Provision of services	798,741	1,116,321
Chongqing Jiangjin District Tuanjie Lake Construction and Operation Co., Ltd	Provision of services	726,318	–
Baoding Gongxing Pipe Corridor Project Management Co., Ltd	Provision of services	714,693	738,647
Handan Jinrong Development and Construction	Provision of services Co., Ltd.	687,167	693,894
Cangzhou Xinbei Urban Renewal Co., Ltd	Provision of services	635,791	280,692
Wuhu Jinjiang Ruijing Real Estate Co., Ltd.	Provision of services	623,074	–
MCC Baoding Development and Construction Co., Ltd.	Provision of services	616,764	456,082
Dazhou Yejian Engineering Project Management Co., Ltd	Provision of services	609,046	479,639
Yichang High Speed Railway New Town Construction Co., Ltd.	Provision of services	565,446	1,998,446

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Purchase or sales of goods, provision or receipt of services (Continued)

(b) Sales of goods and provision of services (Continued)

All amounts in RMB'000

Related parties	Related party transactions	2024	2023
Jiujiang Three Gorges Phase II Water Treatment Environment Comprehensive Co., Ltd	Provision of services	509,509	902,918
Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	Provision of services	500,922	–
Gansu Gonghanglv Tongding Expressway Management Co., Ltd.	Provision of services	458,360	69,483
Juncheng Development and Construction Co., Ltd	Provision of services	458,104	1,206,922
Suqian Metallurgical Construction Development Co., Ltd.	Provision of services	453,150	–
Huzhou Nanxun Xinhe Urban Construction Management Co., Ltd.	Provision of services	448,554	90,072
Xi'an Jingang Dingsheng Real Estate Co., Ltd	Provision of services	396,614	339,433
Zhuhai Hengqin Headquarters Building Development Co., Ltd	Provision of services	395,174	97,752
Lianhuo Qingzhong Expressway Construction Development Co., Ltd	Provision of services	353,518	898,427
Anhui Hongxing Construction Engineering Co., Ltd	Provision of services	353,051	737,794
Ezhou Liangzihu Infrastructure Investment Construction Co., Ltd.	Provision of services	350,658	321,366
Other	Sale of goods and provision of services	12,330,105	33,556,479

Note 1: These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange. The Cap for such related transactions in 2024 is RMB20,898,310,000.

Note 2: The Cap for such related transactions in 2024 does not apply.

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Leases

(a) As lessor

All amounts in RMB'000

Name of lessee	Type of leased assets	Leasing income recognized 2024	Leasing income recognized 2023
China Metallurgical Group Corporation (Note)	Buildings, structures	4,298	4,537
Tangshan Runda Property Management Co., Ltd. (Note)	Buildings, structures	2,817	2,360
Handan Jinxin Xinghua Pipe Gallery Construction Co., Ltd (Note)	Buildings, structures	1,093	–
Anshan Minmetals Chentaigou Mining Co., Ltd. (Note)	Buildings, structures	857	960
MCC Jiaotou Shanzhu Chengdu Prefabricated Building Technology Development Co., Ltd	Buildings, structures	463	–
Beijing Dongxing Metallurgical New Technology Development Co., Ltd. (Note)	Buildings, structures	–	2,819
Total	/	9,528	10,676

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Leases (Continued)

(b) As lessee

All amounts in RMB'000

Name of lessor	Type of leased assets	Lease liabilities at 31 December 2024	Increase of historical cost of right-of-use assets for 2024	Leasing expense recognized for 2024
China Metallurgical Group Corporation <i>(Note)</i>	Buildings, structures	3,576	-	70,825
Tangshan Runda Property Management Co., Ltd. <i>(Note)</i>	Buildings, structures	-	-	15,410
Beijing Dongxing Metallurgical New Technology Development Co., Ltd. <i>(Note)</i>	Buildings, structures	15,153	-	7,662
Beijing Tiancheng Guyun Property Management Co., Ltd.	Buildings, structures	-	-	5,789
Minmetals Property Services (Hunan) Co., Ltd <i>(Note)</i>	Buildings, structures	-	-	2,027
Chengdu Hongqiang Property Management Co.,Ltd. <i>(Note)</i>	Buildings, structures	-	-	1,615
Minmetals Property Services Company Limited <i>(Note)</i>	Buildings, structures	-	-	1,153
Minmetals Hanxing Mining (Anhui) Property Management Co., Ltd. <i>(Note)</i>	Buildings, structures	-	-	753
Beijing Fifth Square Real Estate Co., Ltd <i>(Note)</i>	Buildings, structures	-	-	2
Total	/	18,729	-	105,236

Note: These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Guarantee

(a) Grant guarantee

All amounts in RMB'000

Guarantor	Guaranteed Amount	Inception date of guarantee	Expiration date of guarantee	Whether the execution of guarantee has been completed
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	306,674	2019/9/4	2027/9/5	No
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	475,344	2019/9/5	2027/9/5	No

(b) Credit be granted

All amounts in RMB'000

Creditor	Types of credit	Line of credit	Credit start date	Credit maturity date	The credit line has been used
Minmetals Finance Company (Note 1)	Loan	10,000,000	2022/11/11	2024/11/11	7,600,000
Minmetals Finance Company (Note 1)	Acceptance	500,000	2022/11/11	2024/11/11	51,600
Minmetals Finance Company (Note 1)	Guarantee	500,000	2022/11/11	2024/11/11	-
Minmetals Finance Company (Note 1)	Bill discounting, trade financing and others	500,000	2022/11/11	2024/11/11	-
Total	/	11,500,000	/	/	7,651,600

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Loans from/to related parties

All amounts in RMB'000

Related party	Amount	Inception date	Expiration date	Notes
Borrowing				
Minmetals Finance Company (Note 1)	7,600,000	2024/6/19	2025/9/14	Borrowings General
Minmetals International Trust Company Limited (Note 1)	1,462,721	2024/1/1	2024/12/31	Borrowings General
Total	9,062,721	/	/	/
Lending				
Hangzhou Fuyou Construction Management Co., Ltd	453,300	14/03/2024	30/10/2026	Borrowings General
Yancheng Dafeng Yexin Construction Engineering Development Co., Ltd	400,000	01/01/2024	No fixed maturity date	Borrowings General
Yichang High Speed Railway New Town Construction Co., Ltd	350,000	19/04/2023	No fixed maturity date	Current Accounts
Yibin Xuye Engineering Construction Co., Ltd	300,610	24/02/2023	No fixed maturity date	Current Accounts
Shanghai Ruiyuan Urban Construction Development Co., Ltd	297,000	01/01/2024	No fixed maturity date	Borrowings General
Dazhou Yejian Engineering Project Management Co., Ltd	270,000	01/01/2024	No fixed maturity date	Current Accounts
Yibin Wenye Construction Engineering Co., Ltd	230,000	23/08/2022	No fixed maturity date	Current Accounts
Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	224,000	11/07/2024	10/01/2025	Borrowings General
MCC Guizhou Construction Investment Development Co. Ltd	200,000	01/03/2024	28/02/2025	Borrowings General
Baoding Mingbao Real Estate Development Co., Ltd	200,000	19/12/2023	No fixed maturity date	Current Accounts
Sixian Siye Construction Investment Co. Ltd.	200,000	11/06/2024	No fixed maturity date	Current Accounts
Others	2,402,772	/	/	Borrowings General and Current Accounts
Total	4,203,682	/	/	/

Note 1: These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

Certain of the loans from/to related parties mentioned above are interest bearing. The interest rates ranged from 2.40% to 7.9%.

In 2024, the Company appointed Minmetals Finance Company to provide a loan of RMB15,000,000 to China Non-ferrous Engineering Co. Ltd. a subsidiary of the Company.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(5) Compensation of key management personnel

Key management include director (executive director and non-executive director), supervisor, president, vice president, board secretary and chief accountant. Compensation as employee services paid or to be paid to key management personnel is as follows:

All amounts in RMB'000

Items	2024	2023
Salaries, housing benefits, other allowances and benefits in kind	8,736	10,984
Pension scheme contributions	478	652
Discretionary bonus	3,374	4,274
Total	12,588	15,910

(a) Directors' and supervisors' remunerations

All amounts in RMB'000

Items	2024	2023
Salaries, housing benefits, other allowances and benefits in kind	3,731	4,309
Pension scheme contributions	159	208
Discretionary bonus	1,312	1,668
Total	5,202	6,185

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(5) Compensation of key management personnel (Continued)

(a) Directors' and supervisors' remunerations (Continued)

Compensations for directors and supervisors respectively for the year ended 31 December 2024 were as follows:

All amounts in RMB'000

	Salaries, housing benefits, other allowances and benefits in kind	Pension scheme contributions	Discretionary bonus	Total
Executive director:				
Chen Jian Guang (i)	–	–	–	–
Bai Xiao Hu	1,041	70	368	1,479
Independent non-executive director:				
Zhou Ji Chang	294	–	–	294
Liu Li	297	–	–	297
Wu Jia ning	297	–	–	297
Zhou Guo Ping	–	–	–	–
Non-executive director:				
Lang Jia	276	–	–	276
Employee representative director:				
Yan Ai Zhong	1,037	66	323	1,426
Supervisor:				
Yin Si Song	490	22	621	1,133
Zhang Yan Di (ii)	–	–	–	–
Chu Zhi Qi (iii)	–	–	–	–
Total	3,732	158	1,312	5,202

(i) Chen Jianguang had not received any compensation in the Group in 2024;

(ii) Supervisor Zhang Yandi was transferred to a subsidiary of MCC in May 2022 and did not receive remuneration as a supervisor;

(iii) Chu Zhiqi, the employee representative supervisor, did not receive remuneration as a supervisor after being transferred to a subsidiary of China Metallurgical Corporation in September 2023.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(5) Compensation of key management personnel (Continued)

(a) Directors' and supervisors' remunerations (Continued)

Compensations for directors and supervisors respectively for the year ended 31 December 2023 were as follows:

All amounts in RMB'000

	Salaries, housing benefits, other allowances and benefits in kind	Pension scheme contributions	Discretionary bonus	Total
Executive director:				
Chen Jian Guang (i)	–	–	–	–
Zhang Meng Xing (Until 7 November 2023) (ii)	1,027	41	484	1,552
Independent non-executive director:				
Zhou Ji Chang	271	–	–	271
Liu Li	271	–	–	271
Wu Jia ning	274	–	–	274
Non-executive director:				
Lang Jia	262	–	–	262
Employee representative director:				
Yan Ai Zhong	1,026	63	336	1,425
Supervisor:				
Yin Si Song	906	63	621	1,590
Zhang Yan Di (iii)	–	–	–	–
Chu Zhi Qi (iv)	272	41	227	540
Total	4,309	208	1,668	6,185

(i) Chen Jianguang had not received any compensation in the Group in 2023;

(ii) Executive Director Zhang Mengxing resigned in November 2023 and disclosed remuneration for the period from January to October;

(iii) Supervisor Zhang Yandi was transferred to a subsidiary of MCC in May 2022 and did not receive remuneration as a supervisor;

(iv) Chu Zhiqi, the employee representative supervisor, did not receive remuneration as a supervisor after being transferred to a subsidiary of China Metallurgical Corporation in September 2023, and disclosed his remuneration from January to August.

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(5) Compensation of key management personnel (Continued)

(b) Five highest paid individuals' remunerations

None of the Directors and Supervisors as disclosed in the note above was included in the five highest paid individuals of the Group. The five individuals whose remunerations were the highest in the Group during the year are as follows:

All amounts in RMB'000

Items	2024	2023
Salaries, housing benefits, other allowances and benefits in kind	6,164	3,396
Pension scheme contributions	112	476
Discretionary bonus	5,390	8,788
Total	11,666	12,660

All amounts in RMB'000

	Number of individuals for 2024	Number of individuals for 2023
Nil to HK\$1,000,000	—	—
HK\$1,000,001 to HK\$1,500,000	—	—
HK\$1,500,001 to HK\$2,000,000	3	—
HK\$2,000,001 to HK\$2,500,000	2	4
HK\$2,500,001 to HK\$3,000,000	—	1
HK\$3,000,001 to HK\$3,500,000	—	—
Total	5	5

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(6) Other related party transactions

All amounts in RMB'000

Related party transactions	Related parties	2024	2023
Interest income	Beijing MCC Mingying Real Estate Development Co., Ltd.	109,352	113,184
Interest income	Suzhou ZhongyuanRui Real Estate Development Co., Ltd.	90,818	93,597
Interest income	Real Estate Dana Meila Co., Ltd	55,955	21,509
Interest income	Tangshan MCC Ark Real Estate Development Co., Ltd.	26,358	6,514
Interest income	Others	250,572	233,902
Total		533,055	468,706
Interest expense	Minmetals Finance Company	129,560	–
Interest expense	Minmetals International Trust Co.,Ltd.	40,934	78,192
Interest expense	Others	15,044	149,759
Total		185,613	227,951

Note: These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/due to related parties

(1) Receivables

All amounts in RMB'000

Items	Related parties	31 December 2024		31 December 2023	
		Book value	Provisions for credit losses	Book value	Provisions for credit losses
Accounts receivable	MCC Baoding Development and Construction Co., Ltd.	2,574,078	61,724	249,608	4,043
Accounts receivable	Yunnan Mangliang Expressway Investment Development Co., Ltd.	772,073	3,860	585,776	2,254
Accounts receivable	Nanyang Yuye Urban Development Co., Ltd.	689,660	8,340	13,126	525
Accounts receivable	Sixian Siye Construction Investment Co., Ltd.	676,335	17,877	683,641	11,354
Accounts receivable	Lianhuo Qingzhong Expressway Construction Development Co., Ltd.	563,581	5,636	158,753	4,884
Accounts receivable	Binhai Shengxin Project Management Co., Ltd.	553,984	5,888	291,068	2,911
Accounts receivable	Zhengzhou Huituo Urban Rural Construction Co., Ltd.	467,353	4,674	328,961	7,256
Accounts receivable	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	437,474	7,459	337,365	2,209
Accounts receivable	Ezhou Xinsheng Construction Engineering Co., Ltd	424,748	25,426	566,344	14,048
Accounts receivable	Ma'anshan Metallurgical High tech Construction Co., Ltd	400,142	4,324	81,279	4,548
Accounts receivable	Xi'an Jingang Dingsheng Real Estate Co., Ltd	347,146	5,309	55,319	734
Accounts receivable	Chengdu Xiangkuang Real Estate Co., Ltd	342,111	3,421	221,650	2,216
Accounts receivable	Shanghai Libo Urban Construction and Development Co., Ltd	341,331	11,057	215,265	3,207
Accounts receivable	Ma'anshan Chengnan Real Estate Development Co., Ltd.	328,447	4,361	140,921	3,491
Accounts receivable	Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	315,963	5,187	67,567	676
Accounts receivable	Shanghai Xunjie Real Estate Co., Ltd.	302,258	3,023	–	–
Accounts receivable	Suining Kaihong Construction Development Co., Ltd.	291,725	1,459	352,137	1,761
Accounts receivable	Others	13,662,886	1,413,206	9,126,663	1,215,378
Total		23,491,295	1,592,231	13,475,443	1,281,495

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/due to related parties (Continued)

(1) Receivables (Continued)

Items	Related parties	31 December 2024		31 December 2023	
		Book value	Provisions for credit losses	Book value	Provisions for credit losses
Other receivables	Beijing MCC Mingying Real Estate Development Co., Ltd.	2,334,298	19,002	2,227,807	–
Other receivables	Shi Gang Jing Cheng Equipment Development and Manufacturing Co., Ltd.	1,878,947	859,947	1,915,614	760,614
Other receivables	Suzhou Zhongyuanrui Real Estate Development Co., Ltd.	1,255,013	67,863	1,256,374	–
Other receivables	Yichang High Speed Railway New Town Construction Co., Ltd	1,000,202	2	127	1
Other receivables	Hubei Dongye Construction Investment Co., Ltd	575,686	1	–	–
Other receivables	Tianjin MCC Tuanbo Urban Rural Development Co., Ltd.	555,357	2,777	542,000	2,702
Other receivables	MCC Baoding Development and Construction Co., Ltd.	520,552	2,771	678,792	4,748
Other receivables	Tianjin MCC Mingjin Real Estate Co., Ltd.	479,017	–	458,023	–
Other receivables	Others	9,162,239	1,220,956	5,953,463	1,155,718
Total		17,761,311	2,173,319	13,032,200	1,923,783
Prepayments	Shanghai Libo Construction Co., Ltd	70,486	–	140,328	–
Prepayments	The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals	40,808	–	26,679	–
Prepayments	Minmetals Steel Qingdao Co., Ltd.	19,025	–	–	–
Prepayments	MCC Jingcheng (Xiangtan) HEAVY Industrial Equipment Co., Ltd	17,717	–	18,683	–
Prepayments	Minmetals Nonferrous Metals Co., Ltd.	17,242	–	10,343	–
Prepayments	Minmetals Steel Xi'an Co., Ltd.	16,108	–	–	–
Prepayments	Minmetals Steel Chengdu Co., Ltd.	10,611	–	17,241	–
Prepayments	Others	28,526	–	192,591	–
Total		220,523	–	405,865	–

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For the year ended 31 December 2024

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/due to related parties (Continued)

(1) Receivables (Continued)

Items	Related parties	31 December 2024		31 December 2023	
		Book value	Provisions for credit losses	Book value	Provisions for credit losses
Contract assets	Chongqing Yunkai Expressway Co., Ltd.	768,191	14,540	411,241	7,361
Contract assets	Yunnan Yongmeng Expressway Construction and Development Co., Ltd.	741,698	14,018	588,593	10,536
Contract assets	Shandong Expressway Jiqing Middle Line Highway Co., Ltd.	453,607	2,268	500,749	56,470
Contract assets	Shijiazhuang Hengxi Highway Construction Management Co., Ltd	380,138	1,499	5,432	27
Contract assets	MCC Baoding Development and Construction Co., Ltd.	373,875	4,409	149,956	5,835
Contract assets	Yunnan Mangliang Expressway Investment Development Co., Ltd.	336,761	1,684	340,255	1,715
Contract assets	Deyang Tianfu Jingye Construction Co., Ltd	295,570	5,586	22,190	397
Contract assets	Chongqing Yuxiang Double Track Expressway Co., Ltd.	293,451	5,546	64,970	1,163
Contract assets	Huangshi Urban Green Environment Development Co., Ltd	287,263	2,873	189,634	2,522
Contract assets	Yuhuan Tianshang Construction and Development Co., Ltd	286,584	2,866	149,457	1,495
Contract assets	Xi'an MCC Pipe Gallery Construction Management Co., Ltd	280,832	4,040	–	–
Contract assets	Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	256,414	2,594	518,168	5,182
Contract assets	Yinchuan Mancheng Street Underground Comprehensive Pipe Network Construction and Management Co., Ltd.	241,303	2,413	–	–
Contract assets	Changzhi Zhonghui Sanguan Yiyuan Construction Co., Ltd.	236,221	2,362	131,905	1,319
Contract assets	Hebei Xiong'an Rongxi Concrete Co., Ltd	228,664	1,003	119,525	4,524
Contract assets	Baoding Gongxing Pipe Corridor Project Management Co., Ltd	225,150	2,252	1,466	29
Contract assets	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	224,640	4,273	104,691	1,567
Contract assets	Jiujiang Three Gorges Phase II Water Environment Comprehensive Treatment Co., Ltd	223,840	2,238	80,409	804
Contract assets	Dazhou Kaiye Engineering Project Management Co., Ltd.	212,482	4,100	26,179	2
Contract assets	Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	209,171	2,995	110,094	752
Contract assets	Others	7,714,103	140,951	7,395,695	398,378
Total		14,269,958	224,510	10,910,609	500,078

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/due to related parties (Continued)

(1) Receivables (Continued)

Items	Related parties	31 December 2024		31 December 2023	
		Book value	Provisions for credit losses	Book value	Provisions for credit losses
Long-term receivables	Guizhou MCC Infrastructure Investment Co., Ltd.	704,895	11,631	451,860	8,589
Long-term receivables	Suining KaiHong Construction Development Co., Ltd.	391,196	1,956	368,201	1,841
Long-term receivables	Sichuan Baojiang Data Industrial Park Development and Construction Co., Ltd.	260,534	4,299	251,104	4,350
Long-term receivables	Shuicheng County Blue Ocean Huaxing Education Investment and Construction Co., Ltd.	248,157	14,889	249,367	14,962
Long-term receivables	Weihai Zhiye Health Care Construction Project Management Co., Ltd.	240,944	–	240,944	–
Long-term receivables	Luxi Huarui Construction Engineering Management Co., Ltd.	177,558	3,573	49,091	2,945
Long-term receivables	Nanyang Jinye Real Estate Development Co., Ltd.	169,545	–	–	–
Long-term receivables	Others	722,078	20,584	484,141	24,956
Total		2,914,907	56,932	2,094,708	57,643

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/due to related parties (Continued)

(2) Payables

All amounts in RMB'000

Items	Related parties	31 December 2024	31 December 2023
Notes payable	Minmetals Steel (Wuhan) Limited Company	498,513	315,836
Notes payable	Shanghai Ruiyuan Urban Construction Development Co., Ltd.	280,069	–
Notes payable	Minmetals Steel Shanghai Co., Ltd.	268,505	639,834
Notes payable	Minmetals Steel Co., Ltd.	185,997	452,996
Notes payable	Minmetals Steel Beijing Co., Ltd.	158,785	139,948
Notes payable	Others	53,798	299,419
Total		1,445,667	1,848,033
Accounts payable	Shanghai Boweida Construction Engineering Co., Ltd	829,693	334,209
Accounts payable	Minmetals Steel Chengdu Co., Ltd.	276,776	285,572
Accounts payable	MCC Jiaotou Shanzhu Chengdu Prefabricated Building Technology Development Co., Ltd	266,578	218,803
Accounts payable	Minmetals Steel Co., Ltd.	248,181	27,299
Accounts payable	Minmetals Steel Tianjin Co., Ltd.	238,230	173,459
Accounts payable	Minmetals Steel Shanghai Co., Ltd.	175,351	57,820
Accounts payable	China 22 MCC Corporation Industrial Technology Service Co., Ltd.	153,227	72,901
Accounts payable	Minmetals Trading Co., Ltd.	140,437	111,966
Accounts payable	Minmetals Steel Lanzhou Co., Ltd.	103,711	231,109
Accounts payable	Minmetals Steel Beijing Co., Ltd.	64,829	180,675
Accounts payable	Minmetals Steel Guangzhou Co., Ltd.	60,328	71,837
Accounts payable	Shanghai Ruiyuan Urban Construction Development Co., Ltd.	60,285	53,782
Accounts payable	Others	681,190	645,161
Total		3,298,816	2,464,593

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/due to related parties (Continued)

(2) Payables (Continued)

Items	Related parties	31 December 2024	31 December 2023
Other payables	China Metallurgical Group Corporation	1,097,707	46,673
Other payables	Ezhou Xinsheng Construction Engineering Co., Ltd.	390,782	–
Other payables	Honghe Luqiu Expressway Investment and Development Co., Ltd.	257,237	–
Other payables	Puyang Guoye Urban Development Construction Co., Ltd	242,000	–
Other payables	Ma'anshan Jin'an Borui Real Estate Co., Ltd	196,963	–
Other payables	Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	192,722	3,415
Other payables	Zhuzhou Smelter Nonferrous Metals Industrial Co., Ltd.	166,959	164,504
Other payables	Nanyang Jinye Real Estate Development Co., Ltd.	165,190	–
Other payables	Bengbu Jin'an Real Estate Co., Ltd.	159,360	94,099
Other payables	Wuhan Economic Development Artificial Intelligence Technology Park Construction Investment Co., Ltd	154,724	–
Other payables	Chongzuo Guoye Investment Development Co., Ltd.	152,624	90
Other payables	Dancheng Zhongyi Ecological Environment Management Co., Ltd.	150,000	–
Other payables	Xuanen Green Landscape Construction Engineering Co., Ltd	140,000	–
Other payables	Handan Jinrong Development and Construction Co., Ltd	135,194	–
Other payables	Others	2,427,724	960,695
Total		6,029,186	1,269,476

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/due to related parties (Continued)

(2) Payables (Continued)

Items	Related parties	31 December 2024	31 December 2023
Contract liabilities	Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	312,713	401,456
Contract liabilities	Lanzhou Zhenghao Pipe Corridor Project Management Co., Ltd.	98,060	91,735
Contract liabilities	Tangshan Fengrun Runfeng Municipal Infrastructure Development and Construction Co., Ltd.	62,510	233,915
Contract liabilities	Inner Mongolia Tongye Construction Project Management Co., Ltd.	60,000	60,000
Contract liabilities	Xichang Anmin Urban Construction Project Investment Co., Ltd.	55,809	148,246
Contract liabilities	China Minmetals Co., Ltd.	51,281	2,499
Contract liabilities	Guangzhou Guanlang Construction Investment Co., Ltd.	47,415	91,266
Contract liabilities	Juncheng Development and Construction Co., Ltd.	46,480	7,080
Contract liabilities	Yancheng Hexuan Real Estate Co., Ltd.	35,640	–
Contract liabilities	Qianxi County Changtu Tourism Development Co., Ltd.	31,583	49,332
Contract liabilities	Shiyan Baoye Urban Construction Co., Ltd.	20,450	16,968
Contract liabilities	Puyang Jinhe Yuxin Construction Engineering Co., Ltd.	18,045	5,559
Contract liabilities	Others	214,278	2,292,748
Total		1,054,264	3,400,804

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/due to related parties (Continued)

(2) Payables (Continued)

Items	Related parties	31 December 2024	31 December 2023
Non-current within one year	China National Foreign Trade Financial & liabilities due leasing CO., LTD.	8,617	80,567
Non-current liabilities due within one year	China Metallurgical Group Corporation	457,242	192
Non-current liabilities due within one year	China Minmetals Corporation Limited	6	–
Total		465,865	80,759
Long-term borrowings	China Metallurgical Group Corporation	10,000	508,880
Long-term borrowings	China Minmetals Corporation Limited	15,000	–
Total		25,000	508,880
Long-term payables	China National Foreign Trade Financial & leasing CO., LTD.	62,549	194,957
Long-term payables	China Minmetals Corporation Limited	51,964	43,054
Long-term payables	Jianhe Innovation Technology (Hainan) Co., Ltd.	9,000	15,645
Total		123,513	253,656

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

7. Deposits in related parties

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Minmetals Group Finance limited liability company	8,337,128	3,111,348
Total	8,337,128	3,111,348

Note : As at 31 December 2024, the annual interest rate of the above deposits is 0.35% to 1.15% (31 December 2023: 0.35% to 1.15%)

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital commitments

As at the balance sheet date, the Group had capital commitments contracted but not recognized in the balance sheet were as follows:

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Buildings, structures and equipment	23,323,989	23,402,373
Intangible assets	13,575,106	4,306,071
Total	36,899,095	27,708,444

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XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies

(1) Significant contingencies at the balance sheet date

(a) Pending litigation or arbitration

As at 31 December 2024, objects of pending litigation or arbitration in which the Group acted as defendant were amounting to RMB 6,714,398,000 (as at 31 December 2023: RMB 2,452,092,000).

The Group has been named in a number of lawsuits and other legal proceedings arising in the ordinary course of business. Provision will be made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits based on management's judgments and legal advice. No provision will be made for the above pending lawsuits if management determines the outflow of resources is not probable. As at 31 December 2024, management has made provision for pending lawsuits of RMB 189,381,000, details of which are set out in Note VII 43.

(b) Financial guarantees given to banks

i. Mortgage guarantees

All amounts in RMB'000

Guarantor	31 December 2024
Mortgage guarantees	5,986,949

The Group's subsidiaries in property development sector would provide mortgage guarantees to the property purchasers as it is a common practice in property development industry. Under such arrangements, the period of the guarantees is from the date of the contracts being signed to the date of the legal title of the properties finally being transferred to the purchasers and the certificates could be used as collaterals. The Group considers that the risk related to such guarantees is minor.

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For the year ended 31 December 2024

XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1) Significant contingencies at the balance sheet date (Continued)

(b) Financial guarantees given to banks (Continued)

ii. Loan guarantees

All amounts in RMB'000

擔保單位	被擔保單位	31 December 2024
MCC Real Estate Group Co. Ltd.,	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	475,344
China MCC 20 Group Co., Ltd.	Zhuhai Hengqin Headquarters MCC Building Development Co., Ltd.	306,674

In 2019, Zhuhai Hengqin Headquarters Building Development Co., Ltd. was a subsidiary of the Group within the scope of consolidation. In 2020, other shareholders of Zhuhai Hengqin Headquarters Building Development Co., Ltd. revoked their concerted action agreement with the Group, and the Group lost control of them. Zhuhai Hengqin Headquarters Building Development Co., Ltd. became a joint venture of the Group. China Twenty Metallurgical Group Co., Ltd. provided guarantee for the loan of Zhuhai Hengqin Headquarters Building Development Co., Ltd. The actual guarantee amount was RMB 306,674,000 and the maximum guaranteed amount was RMB 520,000,000, and the guarantee period was from 4 September 2019 to 5 September 2027. MCC Real Estate Group Co., Ltd. provided a guarantee for the loan of Zhuhai Hengqin Headquarters Building Development Co., Ltd. The guarantee amount was RMB 475,344,000, and the maximum guaranteed amount was RMB 806,000,000. The guarantee period was 5 September 2019 to 5 September 2027. Zhuhai Hengqin Headquarters Building Development Co., Ltd. is in good financial condition, and the management expects that there is no major debt default risk.

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For the year ended 31 December 2024

XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1) Significant contingencies at the balance sheet date (Continued)

(c) Others

i. Sino Iron Project

In 2012, due to extreme adverse weather condition, including typhoon, the progress of the Sino Iron Project was behind the original planned schedule giving rise to the substantial project cost overrun. The management is of the view that the Group has implemented appropriate procedures to control project costs, shorten project delay and minimize the loss resulted from the project schedule delay. In respect of the compensation clause set out in the construction contract entered into between the Group and the customer regarding the loss to customer resulted from the project delay due to the contractor own reason, the Group had sufficient communication with CITIC Group who is the customer of the Sino Iron Project. Both the Group and CITIC Group believe that the project delay was due to various reasons. A consensus has been reached between the Group and CITIC Group that the second main process production line of the Sino Iron Project should be completed and available for trial run by 15 April 2013. Due to the technical issue of cyclo electric motors, the trial run of the second main process production line of the Sino Iron Project was further delayed. The cyclo electric motors were purchased by a subsidiary of CITIC Group from an overseas supplier. The Group is of the view that the Group has appropriately performed its duty and fulfilled its responsibility in constructing the second main process production line according to the consensus reached with CITIC Group. The reason for the delay in trial run of the second main process production line of the Sino Iron Project was principally due to quality issue of cyclo electronic motors which were not purchased by the Group.

As of the date of approving these financial statements, the customer has not lodged any compensation claims against the Group in respect of the project delay. The Group has already taken measures in shortening the project delay and had sufficient communication with the customer of this project. The Group is of the view that the risk of being claimed by the customer of this project is remote. Therefore, no provision for loss is recognized in these financial statements.

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XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1) Significant contingencies at the balance sheet date (Continued)

(c) Others (Continued)

ii Litigation Matters of Guangxi Iron and Steel

In 2018, our subsidiary MCC Saidi Engineering Technology Co., Ltd. (hereinafter referred to as "MCC Saidi") signed the "General Contract for the Blast Furnace Body and Auxiliary Facilities Project of Fangchenggang Iron and Steel Base" with Guangxi Iron and Steel Group Co., Ltd. (hereinafter referred to as "Guangxi Iron and Steel"), and the project has been put into operation on schedule. In 2022, there was an engineering quality dispute. As it was still within the warranty period of MCC Saidi, Guangxi Iron and Steel officially sued MCC Saidi in October 2023. At the end of July 2024, Guangxi Iron and Steel changed its lawsuit request, adjusting the repair cost from 212 million yuan to 208 million yuan and the production compensation loss from 10,000 yuan to 1.145 billion yuan.

On 23-24 January 2025, the lawsuit was first heard in the Intermediate People's Court of Fangchenggang City, Guangxi Zhuang Autonomous Region. Due to the professional technical issues involved in this case, a third-party appraisal of the accident is required as the basis for clarifying the causes and responsibilities of both parties. At present, the court's decision on whether to initiate appraisal and whether to initiate appraisal based on its authority is not clear, so the possible outcome of this case cannot be determined at this time. Our group believes that the possibility of losing the lawsuit is extremely low, and therefore determines that there is no need to confirm estimated liabilities.

iii EKON Arbitration Matters

Our subsidiary, China Enfi Engineering Technology Co., Ltd. ("China Enfi"), partnered with EKONEND Ü STRINSAATVETIC in January 2019 A. Ş. ("EKON") signed a "Equipment Supply and Service Contract" with a total amount of USD31,584 thousand. Due to significant differences in design depth, drawing habits, equipment procurement, and communication methods between the two parties during project execution, EKON issued a claim letter of USD28,765 thousand to China Enfi on 11 November 2019, and claimed the termination of the contract. China Enfi replied that they do not recognize EKON's termination of the contract and claim guarantee, and proposed to make a reverse claim in the future. However, there has been no further communication between the two parties since then.

In 2024, EKON once again issued a claim letter to China Enfi and initiated arbitration in November, demanding that China Enfi compensate for breach of contract damages and corresponding foreseeable economic losses, totaling approximately USD100,000 thousand, on the grounds of defects in the engineering design documents and delivery delays. As of 31 December 2024, EKON has not yet paid the arbitration fees, resulting in the suspension of the arbitration proceedings. China Enfi does not agree with EKON's proposed compensation amount of USD100,000 thousand, but considering that there are indeed some flaws and delays in the design documents involved in the contract, it is estimated that there is a certain compensation obligation for EKON, and a corresponding estimated liability of RMB20,000 thousand yuan has been set aside. At present, the case is still under negotiation and settlement, and the final compensation amount shall be subject to the effective legal documents.

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XV. EVENTS AFTER THE BALANCE SHEET DATE

1. Issuance of midterm-notes

All amounts in RMB'000

Name of midterm-notes	Issue date	Term	Issue amount
25 MCC MTN001	2025-03-03	3 (3+N) years	2,000,000
25 MCC MTN002	2025-03-20	3 (3+N) years	2,000,000
25 MCC MTN003	2025-03-12	3 (3+N) years	2,000,000
25 MCC MTN004	2025-03-24	3 (3+N) years	2,000,000
25 MCC MTN005	2025-03-27	3 (3+N) years	2,000,000

2. Distribution of profit

According to the decision of the 70th meeting of the third term of the Board of Directors of the Company, the Company proposed to distribute cash dividend of RMB 0.56 (tax inclusive) for every 10 shares held by the shareholders, which amounted to RMB 1,160,523,000. The total number of shares of the Company was 20,723,619,170 as at 31 December 2024. The dividend distribution is subject to the approval by the shareholders at the upcoming annual Shareholders meeting.

XVI. OTHER SIGNIFICANT MATTERS

1. Segment information

(1) Accounting policies of the segment

The Group determines the operating segments based on the internal organizational structure, management requirements and internal reporting system. The reportable segments are determined based on operating segments.

Operating segment is a component of the Group which satisfied all of the following conditions:

- (a) The component is able to generate income, and expenses in daily activities;
- (b) The Group's management evaluates the operating results of that segment regularly, determines the allocation of resources, and evaluates its performance;
- (c) The Group can obtain the balance sheet, operating results, cash flow and other relevant accounting information of the segment. If two or more operating segments have similar economic characteristics and meet certain conditions, they could be combined into a single operating segment.

With the optimization and adjustment of the Group's management and operation strategies, the Group changed the disclosure format of the segment reports to engineering contracting, featured business and comprehensive real estate. Since 2024 Annual report, segment reports have been prepared in accordance with the adjusted segment reporting standard, and the data for the comparative period in 2023 has also been restated. The change does not affect the data and presentation of the financial statements, but only the presentation of segment reports.

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XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(1) Accounting policies of the segment (Continued)

The management of the Group has performed assessments of the operating results of each segment separately. The management also evaluates the operating results of the above segments generated in different geographical locations.

The information of the operating and reportable segments is derived from the information reported by the management of each respective segment. The accounting policies and measurement basis of this information are the same as the Group's accounting policies adopted in preparing these financial statements.

Intersegment transactions are based on the actual transaction price. Segment revenue and segment expenses are recognized based on the actual revenue generated and actual expenses incurred by the respective segments. Assets and liabilities are allocated to the respective segments according to the assets used or liabilities assumed in their daily operating activities.

(a) Segment information for the year ended 31 December 2024 and as at 31 December 2024

All amounts in RMB'000

Items	Engineering contracting	Featured business	Comprehensive real estate	Others	Unallocated amounts	Elimination between segments	Total
Operating revenue	501,450,181	38,165,798	18,752,727	719,556	-	(7,063,624)	552,024,638
Including: Revenue from external customers	497,960,377	35,132,876	18,604,748	326,637	-	-	552,024,638
Revenue between segments	3,489,804	3,032,922	147,979	392,919	-	(7,063,624)	-
Credit impairment losses	(6,661,999)	(300,872)	(228,719)	(1,935)	-	-	(7,193,525)
Impairment losses of assets	(964,448)	(121,933)	(2,940,760)	-	-	1,486,287	(2,540,854)
Depreciation and amortization	2,216,002	1,796,277	411,418	65,435	-	-	4,489,132
Total profit/(loss)	10,622,280	2,715,950	(4,937,255)	65,367	(365,651)	1,153,847	9,254,538
Net profit/(net loss)	9,638,277	2,311,207	(4,885,342)	51,994	(365,651)	1,153,847	7,904,332
Assets	668,102,401	68,713,393	128,168,345	7,042,075	5,204,458	(69,214,917)	808,015,755
Liabilities	532,625,125	47,232,018	107,152,097	5,889,279	534,295	(67,752,925)	625,679,889

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XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(1) Accounting policies of the segment (Continued)

(b) Segment information for the year ended 31 December 2023 and as at 31 December 2023 (Restated)

All amounts in RMB'000

Items	Engineering contracting	Featured business	Comprehensive real estate	Others	Unallocated amounts	Elimination between segments	Total
Operating revenue	585,482,301	38,796,443	16,519,397	905,053	-	(7,832,772)	633,870,422
Including: Revenue from external customers	580,845,638	36,194,504	16,497,535	332,745	-	-	633,870,422
Revenue between segments	4,636,663	2,601,939	21,862	572,308	-	(7,832,772)	-
Credit impairment (losses)/reversal	(5,630,134)	(312,600)	(51,933)	374	-	-	(5,994,293)
Impairment losses of assets	(1,537,037)	(93,836)	(1,323,947)	-	-	-	(2,954,820)
Depreciation and amortization	1,952,740	1,681,091	374,145	56,991	-	-	4,064,967
Total profit/(loss)	13,684,175	3,301,546	(2,470,079)	87,415	(317,063)	(521,222)	13,764,772
Net profit/(net loss)	11,777,325	3,048,640	(2,656,828)	75,257	(317,063)	(521,222)	11,406,109
Assets	521,725,506	65,686,830	134,261,149	15,179,699	3,696,548	(78,947,496)	661,602,236
Liabilities	406,238,595	46,244,410	103,863,741	8,077,356	196,278	(71,009,309)	493,611,071

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XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(3) Other notes

- (a) Revenue from external customers classified by countries/regions and non-current assets classified by geographical locations

All amounts in RMB'000

Items	2024	2023
Revenue from external customers in China	523,889,122	607,518,367
Revenue from external customers in other countries/regions	28,135,516	26,352,055
Total	552,024,638	633,870,422

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Non-current assets in China	126,217,038	102,058,183
Non-current assets in other countries/regions	12,101,837	12,516,998
Total	138,318,875	114,575,181

Note: The above non-current assets do not include deferred tax assets and financial assets.

- (b) The dependency on major customers

No revenue was generated from sales to a single customer which amounted to 10% or more than 10% of the Group's revenue.

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XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

2. Net current assets and total assets less current liabilities

(1) Net current assets

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Current assets	599,767,170	484,133,951
Less: Current liabilities	573,629,900	448,818,443
Net current assets	26,137,270	35,315,508

2. Net current assets and total assets less current liabilities

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Current assets	808,015,755	661,602,236
Less: Current liabilities	573,629,900	448,818,443
Net current assets	234,385,855	212,783,793

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Aging analysis of accounts receivable

The Company's accounts receivables are mainly receivables for engineering contracting business. The aging analysis is as follows:

All amounts in RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	160,614	362,030
1 to 2 years	240,328	52,803
2 to 3 years	52,803	98,794
3 to 4 years	98,794	308
4 to 5 years	308	–
Over 5 years	25,092	71,545
Total book value	577,939	585,480
Less: Provisions for credit losses	39,082	61,281
Carrying amount	538,857	524,199

Settlement of trade receivables generated through engineering and construction services is made in accordance with terms specified in the contracts governing the relevant transactions. The aging of accounts receivable is calculated based on the date of issue of bill of construction service or date of revenue recognition.

(2) Provision for credit losses of accounts receivable

All amounts in RMB'000

Item	31 December 2023	Provision	Reversal	31 December 2024
Provision for credit losses	61,281	24,506	(46,705)	39,082

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(3) The five largest accounts receivable, contract assets and other non-current assets receivables collected by arrears at the end of the year

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All amounts in RMB'000

Name of entity	Balance of accounts receivable as at 31 December 2024	Balance of Contract assets as at 31 December 2024	Balance of Other non-current assets as at 31 December 2024	Balance of accounts receivable, Contract assets and Other non-current assets as at 31 December 2024	As a percentage of accounts receivable, Contract assets and Other non-current assets (%)	Provision for bad debts of accounts receivable, Contract assets and Other non-current assets as at 31 December 2024
Party 1	218,045	126,238	28,609	372,892	14.86	17,581
Party 2	145,191	330,808	-	475,999	18.97	7,854
Party 3	137,359	154,867	78,519	370,745	14.78	-
Party 4	40,087	178,092	-	218,179	8.7	-
Party 5	-	58,556	195,558	254,114	10.13	7,395
Total	540,682	848,561	302,686	1,691,929	67.44	32,830

2. Other receivables

(1) Presentation of other receivables

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Interest receivables	9,720,279	8,065,714
Dividends receivable	4,525,042	3,689,884
Other receivables	58,091,831	60,510,871
Total	72,337,152	72,266,469

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(2) Interest receivables

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Subsidiaries of the Company	10,416,046	8,656,146
Less: Provisions for credit losses	695,767	590,432
Total	9,720,279	8,065,714

(3) Dividends receivable

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Subsidiaries of the Company	4,525,042	3,689,884
Total	4,525,042	3,689,884

As at 31 December 2024, the closing balance of dividends receivable aged more than one year was RMB 3,641,979,000 (as at 31 December 2023: RMB 3,506,538,000).

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables

(a) Aging analysis

All amounts in RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	10,694,422	10,942,769
1 to 2 years	2,857,244	7,598,193
2 to 3 years	7,709,316	11,696,373
3 to 4 years	11,695,285	2,286,013
4 to 5 years	2,262,833	5,310,740
Over 5 Years	29,373,126	29,133,253
Total book value	64,592,226	66,967,341
Less: Provisions for credit losses	6,500,395	6,456,470
Carrying amount	58,091,831	60,510,871

(b) Classified by nature

All amounts in RMB'000

Nature of other receivables	31 December 2024	31 December 2023
Subsidiaries of the Company	64,386,944	66,560,895
Guarantees and deposits	94,077	292,551
Others	111,205	113,895
Total	64,592,226	66,967,341

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

(c) Disclosed by method of determining provision for credit losses

2024

All amounts in RMB'000

Category	31 December 2024				Carrying amount
	Book value Amount	Ratio (%)	Provision for credit losses Amount	Ratio (%)	
provision for credit losses is individually assessed	64,555,137	99.94	6,467,087	10.02	58,088,050
provision for credit losses is collectively assessed on a portfolio basis	37,089	0.06	33,308	89.81	3,781
Total	64,592,226	100.00	6,500,395	10.06	58,091,831

2023

All amounts in RMB'000

Category	31 December 2023				Carrying amount
	Book value Amount	Ratio (%)	Provision for credit losses Amount	Ratio (%)	
provision for credit losses is individually assessed	66,911,943	99.92	6,404,575	9.57	60,507,368
provision for credit losses is collectively assessed on a portfolio basis	55,398	0.08	51,895	93.68	3,503
Total	66,967,341	100.00	6,456,470	9.64	60,510,871

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

(c) Disclosed by method of determining provision for credit losses (Continued)

Other receivables for which provision for credit losses is individually assessed are as follows:

All amounts in RMB'000

Name of entity	31 December 2024			Reasons	31 December 2023	
	Accounts receivable	Provision for credit losses	Proportion of provision (%)		Accounts receivable	Provision for credit losses
Party 1	36,308,870	-	/	The Group considered the reasonable and supported information related to other party (including forward-looking information), then evaluated the anticipated credit losses and made provision for credit losses.	40,236,196	-
Party 2	6,825,513	3,719,055	54.49		6,822,560	3,719,055
Party 3	4,278,090	-	/		1,472,436	-
Party 4	2,852,183	-	/		2,214,014	-
Party 5	2,419,270	2,419,270	100.00		2,417,107	2,414,020
Others	11,871,211	328,762	2.77		13,749,630	271,500
Total	64,555,137	6,467,087	10.02	/	66,911,943	6,404,575

(d) Provision of credit losses of other receivables

2024

All amounts in RMB'000

Items	Phase 1 Future	Phase 2	Phase 3	Total
	12-month expected credit losses	Lifetime expected credit losses (Non-credit-impaired)	Lifetime expected credit losses (Credit-impaired)	
Provision for credit losses at 31 December 2023	-	-	6,456,470	6,456,470
Provision for the current year	2	-	62,512	62,514
Write-off for the current year	-	-	(18,589)	(18,589)
Provision for credit losses at 31 December 2024	2	-	6,500,393	6,500,395

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

(e) The five largest other receivables at the end of the year

All amounts in RMB'000

Name of entity	Relationship with the Company	Nature of other receivables	Aging	31 December 2024	Provision of bad debt	As a percentage of total other receivables (%)
Party 1	Subsidiary	Advances/internal loans	Within 1 year, 1 to 5 years, Over 5 years	36,308,870	–	56.21
Party 2	Subsidiary	Advances/internal loans	Within 1 year, 1 to 3 years, 4 to 5 years, Over 5 years	6,825,513	3,719,055	10.57
Party 3	Subsidiary	Advances/internal loans	Within 1 year, 1 to 5 years, Over 5 years	4,278,090	–	6.62
Party 4	Subsidiary	Advances/internal loans	Within 1 year, 1 to 3 years	2,852,183	–	4.42
Party 5	Subsidiary	Advances/internal loans	Within 1 year, , 2 to 3 years 4 to 5 years, Over 5 years	2,419,270	2,419,270	3.75
Total	/	/	/	52,683,926	6,138,325	81.57

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term receivables

(1) Long-term receivables

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Subsidiaries of the Company	405,201	390,195
Others	2,037	2,037
Total book value	407,238	392,232
Less: Provisions for credit losses of long-term receivables	138,660	138,660
Total net book value	268,578	253,572
Less: Long term receivables due within one year, net	10	2,041
Long term receivables due after one year, net	268,568	251,531

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term receivables (Continued)

(2) Provision for credit losses of long-term receivables

As of 31 December 2024, the changes in the credit loss provision for long-term receivables based on 12-month expected credit losses and lifetime expected credit losses are as follows:

All amounts in RMB'000

Items	Phase 1 Future	Phase 2	Phase 3	Total
	12-month expected credit-losses	Lifetime expected credit losses (Non credit-impaired)	Lifetime expected credit losses (Credit-impaired)	
Provisions for credit losses at 31 December 2024 and 31 December 2023	–	–	138,660	138,660

4. Long-term equity investments

All amounts in RMB'000

Items	31 December 2024			31 December 2023		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Subsidiaries	99,961,142	923,201	99,037,941	95,503,090	175,034	95,328,056
Joint ventures and associates	495,320	113,146	382,174	489,474	113,146	376,328
Total	100,456,462	1,036,347	99,420,115	95,992,564	288,180	95,704,384

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(1) Subsidiaries

All amounts in RMB'000

Name of investee	Carrying amount on 31 December 2023	Increase	Decrease	Carrying amount on 31 December 2024	Impairment provision at 31 December 2024	Carrying amount at 31 December 2024	Cash dividend declared
MCC Real Estate Group Co., Ltd.	5,814,517	5,000,000	-	10,814,517	-	10,814,517	-
MCC Communication Construction Group Co., Ltd.	9,148,023	-	-	9,148,023	-	9,148,023	-
MCC Capital Engineering & Research Incorporation Limited	7,175,684	-	-	7,175,684	-	7,175,684	159,120
Shanghai Baoye Group Co., Ltd.	6,710,953	-	-	6,710,953	-	6,710,953	520,507
WISDRI Engineering & Research Incorporation Limited	5,453,492	-	-	5,453,492	-	5,453,492	235,796
China MCC5 Group Co., Ltd.	5,022,567	-	-	5,022,567	-	5,022,567	-
CISDI Group Co., Ltd.	4,368,886	-	-	4,368,886	-	4,368,886	140,311
China Non-ferrous Engineering Co., Ltd.	4,357,614	-	-	4,357,614	-	4,357,614	136,077
MCC Tongsin Resources Ltd.	3,710,060	191,022	-	3,901,082	-	3,901,082	42,112
China 22MCC Group Co., Ltd.	3,487,199	-	-	3,487,199	-	3,487,199	262,560
China MCC19 Group Co., Ltd.	3,476,455	-	-	3,476,455	-	3,476,455	197,923
Central Research Institute of Building and Construction Co., Ltd.	3,059,049	-	-	3,059,049	-	3,059,049	116,716
MCC-JJJ Mining Development Company Limited	2,849,805	-	-	2,849,805	-	2,849,805	-
China Huaye Group Co., Ltd.	2,412,037	-	-	2,412,037	-	2,412,037	120,474
MCC TianGong Group Corporation Limited.	2,261,984	-	-	2,261,984	-	2,261,984	-
Huatian Engineering & Technology Corporation, MCC	2,156,648	-	-	2,156,648	-	2,156,648	37,902
China Metallurgical Construction Engineering Group Co., Ltd.	2,085,910	-	-	2,085,910	-	2,085,910	424,617
China First Metallurgical Group Co., Ltd.	2,045,090	-	-	2,045,090	-	2,045,090	483,076
ACRE Coking & Refractory Engineering Consulting Corporation, MCC	1,898,546	-	-	1,898,546	-	1,898,546	55,897
China MCC17 Group Co., Ltd.	1,755,361	-	-	1,755,361	-	1,755,361	397,051
China MCC20 Group Co., Ltd.	1,680,279	-	-	1,680,279	-	1,680,279	185,169
China MCC 3 Group Co., Ltd.	1,600,096	-	-	1,600,096	140,096	1,460,000	-
China Second Metallurgical Group Corporation Limited	1,540,924	-	-	1,540,924	-	1,540,924	144,895
MCC-SFRE Heavy Industry Equipment Co., Ltd.	1,110,635	-	-	1,110,635	63,035	1,047,600	-
MCC Baosteel Technology Services Co., Ltd.	1,091,924	-	-	1,091,924	-	1,091,924	173,330
MCC Changtian International Engineering Co., Ltd.	991,130	-	-	991,130	-	991,130	69,337
Northern Engineering & Technology Corporation, MCC	826,271	-	-	826,271	-	826,271	-
Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC	523,777	300,000	-	823,777	-	823,777	385,920
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	789,593	-	-	789,593	-	789,593	-
MCC Ecological Environmental Protection Group Co., Ltd.	427,000	323,000	-	750,000	-	750,000	-
MCC Road&Bridge Construction Co., Ltd.	686,887	-	-	686,887	-	686,887	34,326
MCC Great Wall Investment Co., Ltd	430,000	228,000	-	658,000	-	658,000	-

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(1) Subsidiaries (Continued)

Name of investee	Carrying amount on 31 December 2023	Increase	Decrease	Carrying amount on 31 December 2024	Impairment provision at 31 December 2024	Carrying amount at 31 December 2024	Cash dividend declared
MCC International Investment Development Co., Ltd.	600,000	-	-	600,000	-	600,000	-
MCC Overseas Ltd.	475,644	-	-	475,644	475,644	-	-
MCC (Shanghai) Steel Structure Technology Corp., Ltd.	420,991	-	-	420,991	-	420,991	20,956
China 13th Metallurgical Construction Corporation	372,399	-	-	372,399	-	372,399	-
Shen Kan Engineering & Technology Corporation, MCC	344,972	-	-	344,972	-	344,972	-
MCC Urban Investment Holding Co., Ltd.	150,000	-	-	150,000	-	150,000	-
MCC International Incorporation Ltd.	110,804	-	-	110,804	-	110,804	-
MCC (Guizhou) Construction Investment Development Co., Ltd.	100,000	-	-	100,000	-	100,000	-
China MCC International Economic and Trade Co., Ltd.	69,392	-	-	69,392	69,392	-	-
MCC South China Construction Investment Co., Ltd.	51,000	-	-	51,000	-	51,000	-
MCC Integrated Pipe Network Technology & Development Co., Ltd.	50,000	-	-	50,000	-	50,000	-
China Metallurgical (Hainan) Investment Development Co., Ltd.	24,000	-	-	24,000	-	24,000	-
MCC Zhongyuan Construction Investment Co., Ltd.	20,000	-	-	20,000	-	20,000	-
MCC Holding (Hong Kong) Corporation Limited	6,485	-	-	6,485	-	6,485	-
Ramu NiCo Management (MCC) Ltd.	3	-	-	3	-	3	-
Western Australia	126,807	-	-	126,807	126,807	-	-
MCC Australia Holding Pty Ltd.	48,227	-	-	48,227	48,227	-	-
MCC Finance Corporation Ltd.	1,583,970	-	(1,583,970)	-	-	-	621,506
Total	95,503,090	6,042,022	(1,583,970)	99,961,142	923,201	99,037,941	4,965,578

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(2) Joint ventures and associates

All amounts in RMB'000

Name of joint ventures and associates	Carrying amount at 31 December 2023	Movements during the current year				Carrying amount at 31 December 2024	Provision for impairment at 31 December 2024
		Decrease in investments	Investment income/(losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends		
MCC-Huafa Integrated Pipe Network Co., Ltd.	104,948	-	1,413	-	-	106,361	-
Beijing Jingxi Travel Industry Investment Fund (limited partnership)	99,641	-	2,630	2,679	-	104,950	-
MCC Jianxin Investment Fund Management Co., Ltd.	85,589	-	723	-	-	86,312	-
Yingtian MCC Xinyin industry development partnership (limited partnership)	73,104	2,562	3,422	-	(3,367)	70,597	-
Shenzhen MCC Utility Tunnel Construction and Investment Co., Ltd.	13,046	-	908	-	-	13,954	-
MCC Xiangxi Mining Industry Co., Ltd.	113,146	-	-	-	-	113,146	113,146
Total	489,474	2,562	9,096	2,679	(3,367)	495,320	113,146

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(3) Impairment Testing of Long-term Equity Investments

Details of Impairment Provisions for Long-term Equity Investments:

All amounts in RMB'000

Items	Provision for impairment at 31 December 2023	Increase	Provision for impairment at 31 December 2024
I. Subsidiaries			
MCC Overseas Ltd.	–	475,644	475,644
China MCC 3 Group Co., Ltd.	–	140,096	140,096
Western Australia China MCC International Economic and Trade Co., Ltd.	126,807	–	126,807
MCC-SFRE Heavy Industry Equipment Co., Ltd.	–	69,392	69,392
MCC Australia Holding Pty Ltd.	–	63,035	63,035
	48,227	–	48,227
Sub-total	175,034	748,167	923,201
II. Associates			
MCC Xiangxi Mining Industry Co., Ltd.	113,146	–	113,146
Sub-total	113,146	–	113,146
Total	288,180	748,167	1,036,347

5. Short-term borrowings

(1) Categories of short-term borrowings

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Credit loans:		
RMB	11,618,993	9,729,089
Others	–	9,708,539
		20,550
Total	11,618,993	9,729,089

As at 31 December 2024, there were no significant short-term borrowings overdue but not yet.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Other payables

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Amounts due to subsidiaries	44,133,979	41,974,872
External dividends payable	729,273	618,645
Others	1,209,098	270,119
Total	46,072,350	42,863,636

7. Non-current liabilities due within one year

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Long-term borrowings due within one year (Note XVII 8)	439,271	185
Long-term employee benefits payable due within one year	5,808	5,222
Bonds payable due within one year	48,833	–
Lease liabilities due within one year	245	20,927
Total	494,157	26,334

8. Long-term borrowings

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Credit loans	464,271	449,265
Total	464,271	449,265
Less: Long-term borrowings due within one year (Note XVII 7)	439,271	185
Long-term borrowings due over one year	25,000	449,080

For the current year, the weighted average interest rate of long-term borrowings was 1.35% per annum (for the year ended 31 December 2023: 1.35% per annum). As at 31 December 2024, there were no significant long-term borrowings overdue but not yet.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Presentation of operating revenue and operating costs

(1) Operating revenue and operating costs

All amounts in RMB'000

Items	2024		2023	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Principal business	1,177,657	1,217,124	1,295,803	1,287,556
Other business	42,131	243	118,151	501
Total	1,219,788	1,217,367	1,413,954	1,288,057

(2) Breakdown of operating revenue

(a) Classified by industry

All amounts in RMB'000

Items	2024	2023
Engineering contracting	1,177,657	1,281,776
Investigation, design, and consulting services	–	14,027
Total	1,177,657	1,295,803

(b) Classified by geographic location

All amounts in RMB'000

Items	2024	2023
Other countries/regions	1,177,657	1,295,803
Total	1,177,657	1,295,803

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Presentation of operating revenue and operating costs (Continued)

(3) Information of major customers from which the revenue generated accounted for more than 10% of the total revenue

All amounts in RMB'000

Items	Relationship with the	Operating	As a percent of age revenue of the Company (%)
Party 1	Third party	809,613	66.37
Party 2	Third party	237,038	19.43
Party 3	Third party	152,826	12.53
Total	/	1,199,477	98.33

The project contracting services provided by the Company usually constitute a single performance obligation as a whole and are performance obligations performed within a certain period of time. As of 31 December 2024, some of the Company's EPC contracts were still in the process of implementation. The trading price allocated to non-implemented (or partly non-implemented) performance obligations is related to the performance progress of each EPC contract. Revenue will be recognized within the future performance period of each EPC contract according to the performance progress.

Among the above operating income, revenue from contracts with customers was RMB 1,219,788,000 (for the year ended 31 December 2023: RMB 1,413,954,000).

10. Investment income

All amounts in RMB'000

Items	2024	2023
Investment income under cost method	4,965,578	4,062,136
Investment income under equity method	9,096	4,229
Investment income on disposal of long-term equity investments	—	30,143
Other	(113,311)	(35,696)
Total	4,861,363	4,060,812

There is no major restriction of investment income repatriation to the Company.

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

11. Credit impairment losses

All amounts in RMB'000

Items	2024	2023
Income/(loss) from impairment of accounts receivable	22,199	(6,311)
Loss from impairment of other receivables	(167,849)	–
Total	(145,650)	(6,311)

12. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statements

All amounts in RMB'000

Supplementary information	2024	2023
Reconciliation of net profit to cash flows from operating activities:		
Net profit	3,911,739	4,148,705
Add: Credit impairment losses	145,650	6,311
Asset impairment losses	753,831	10,040
Depreciation of fixed assets and right-of-use assets	28,069	23,937
Amortization of intangible assets	1,265	921
Gains on disposal of fixed assets, intangible assets and other long-term assets	(226)	–
Losses on write-off of fixed assets	310	43
Losses on changes of fair value	375,377	256,407
Financial expenses	(651,277)	(260,381)
Gains arising from investments	(4,861,363)	(4,060,812)
(Increase)/decrease in inventories	(93)	4
Increase in contract assets	(198,281)	(203,547)
Increase in contract liabilities	157,385	30,610
Increase in receivables from operating activities	(135,102)	(85,941)
Increase in payables from operating activities	278,529	33,656
Net cash flows from operating activities	(194,187)	(100,047)

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

12. Supplementary information to the cash flow statement (Continued)

(1) Supplementary information to the cash flow statements (Continued)

Supplementary information	2024	2023
Net changes in cash and cash equivalents:		
Cash and cash equivalents at end of year	8,354,373	968,955
Less: Cash and cash equivalents at beginning of year	968,955	4,551,152
Net Increase/(decrease) in cash and cash equivalents	7,385,418	(3,582,197)

(2) Cash and cash equivalents

All amounts in RMB'000

Items	31 December 2024	31 December 2023
Cash	8,354,373	968,955
Including: Cash on hand	104	1,198
Bank deposits without restriction	8,354,269	967,757
Cash and cash equivalents at end of year	8,354,373	968,955

FINANCIAL STATEMENTS

For the year ended 31 December 2024

XVIII. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

All amounts in RMB'000

Items	Amount for the current year
Profit or loss on disposal of non-current assets, Including reversal of provision for impairment of assets	1,052,666
Government grants recognized in profit or loss (except for the government grants that are closely related to the business of the Company and granted according to the unified national standards)	465,213
Profit or loss arising from changes in fair value of trading financial assets, derivative financial instruments and other financial assets except for those relating to the hedging transactions under the Company's normal operating business	(477,667)
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss	305,423
Reversal of provision for credit losses individually assessed for significant accounts receivable	849,975
Profit or loss of debt restructuring	30,046
Other non-operating income or expenses other than the above items	131,380
Profit or loss on disposal of long-term equity investments	13,380
Less: Impact on income tax	394,896
Impact on non-controlling interests (after tax)	332,622
Total	1,642,898

2. Return on net assets and earnings per share ("EPS")

Profit during the reporting period	Weighted average rate of return on net assets (%)	EPS (RMB)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	4.87	0.24	0.24
Net profit after deduction of non-recurring profits or losses attributable to ordinary	3.23	0.16	0.16

OTHER FINANCIAL DATA

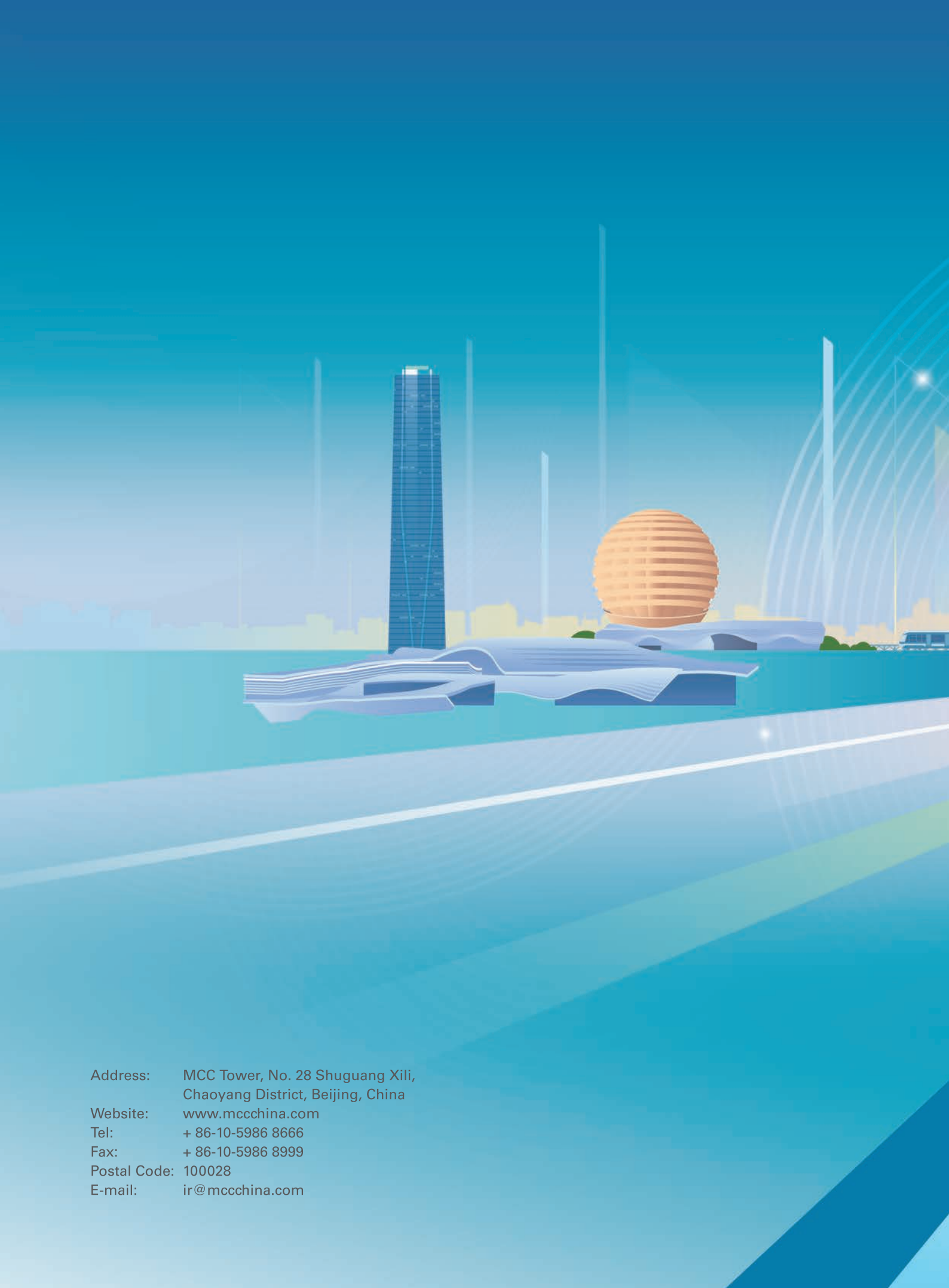
All amounts in RMB'000

Items	2024	2023	2022 (Restated)	2021 (Restated)	2020 (Restated)
Operating revenue	552,024,638	633,870,422	592,669,072	500,571,647	400,114,623
Operating costs	498,543,592	572,456,849	535,516,918	447,435,146	354,685,571
Taxes and levies	2,156,087	1,921,074	1,870,771	2,515,554	1,967,862
Selling expenses	3,063,315	3,169,316	2,883,123	2,742,789	2,441,204
Administrative expenses	11,830,595	12,360,311	11,273,969	10,921,869	11,011,320
R&D expenses	16,406,225	19,730,402	18,732,632	15,901,198	12,326,903
Financial expenses	1,078,705	989,121	940,841	1,055,115	1,767,398
Impairment losses of assets	(2,540,854)	(2,954,820)	(1,359,652)	(1,624,422)	(593,338)
Impairment losses of credit Gains/(losses) on investments	(7,193,525)	(5,994,293)	(3,601,874)	(3,714,814)	(3,086,669)
Gains on disposal of assets	(1,354,525)	(1,487,345)	(1,523,214)	(1,793,422)	(1,139,662)
Other income	1,052,666	663,075	303,355	689,228	232,899
Operating profit	550,228	560,094	433,224	428,034	451,602
Non-operating income	9,082,902	13,715,837	15,384,879	14,162,514	11,813,020
Non-operating expenses	453,584	288,789	323,055	299,559	475,004
Total profit	281,948	239,854	315,818	449,894	370,754
Income tax	9,254,538	13,764,772	15,392,116	14,012,179	11,917,270
Net profit	1,350,206	2,358,663	2,460,486	2,405,190	2,533,155
Net profit attributable to shareholders of the Company	7,904,332	11,406,109	12,931,630	11,606,989	9,384,115
Profit or loss of minority Shareholders	6,745,954	8,670,405	10,276,187	8,374,829	7,863,825
Basic EPS	1,158,378	2,735,704	2,655,443	3,232,160	1,520,290
Diluted EPS	0.24	0.33	0.45	0.35	0.32

Items	As at the end of 2024	As at the end of 2023	As at the end of 2022	As at the end of 2021	As at the end of 2021
Total assets	808,015,755	661,602,236	585,392,827	543,474,426	506,397,447
Total liabilities	625,679,889	493,611,071	423,475,265	392,082,388	366,037,656
Shareholders' equity	182,335,866	167,991,165	161,917,562	151,392,038	140,359,791

Chairman: **Chen Jianguang**

Date of Approval from the Board: 28 March 2024



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