

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

2025

Interim Report



* For identification purpose only

Important Notice

1. The Board of the Company and its Directors, and senior management warrant that the contents of this interim report are true, accurate and complete without false representations, misleading statements or material omissions, and they severally and jointly accept legal responsibility for the above warranty.
2. This report was considered and approved by the 76th meeting of the third session of the Board convened on 29 August 2025. All Directors of the Company attended the board meeting.
3. The interim financial statement of the Company for the first half of 2025 has been reviewed by Deloitte Touche Tohmatsu Certified Public Accountants LLP, but has not been audited. Deloitte Touche Tohmatsu Certified Public Accountants LLP issued a review report with unqualified opinions to the Company.
4. Chen Jianguang, the chairman of the Company, Dong Su, the vice president and chief accountant (chief financial officer), and Li Yifeng, the head of the financial department of the Company have declared that they guarantee the truthfulness, accuracy and completeness of the financial report contained in this interim report.
5. Proposal for the distribution of profits or the transfer of capital reserves to share capital for the Reporting Period as approved by the Board

Not Applicable

6. Statement for the risks associated with 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 investment risks are brought to the attention of investors.

7. Is there any misappropriation of funds by the controlling shareholder and other related parties for non-operating purposes

No

8. Is there any external guarantee made in contravention of the required decision-making procedures

No

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

No

10. Warning of significant risks

The Company has elaborated on the potential risks that the Company may be facing in this interim report. Please refer to the section of "Report of Board of Directors, Management Discussion and Analysis" of this report for the details of the risks that may be faced by the Company.

11. 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.

Contents

SECTION I	DEFINITIONS	4
SECTION II	CHAIRMAN'S STATEMENT	6
SECTION III	COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS	9
SECTION IV	REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS	20
SECTION V	CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY	61
SECTION VI	SIGNIFICANT EVENTS	69
SECTION VII	CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS	89
SECTION VIII	CORPORATE BONDS	96
SECTION IX	FINANCIAL STATEMENTS	103

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 the accounting institution
	Original of auditor's report sealed with the corporate seal of the accounting firm and signed and sealed by the certified public accountant
	Originals of all documents and announcements of the Company published on Shanghai Stock Exchange during the Reporting Period
	2025 interim report and 2025 interim results announcement published on the Hong Kong Stock Exchange

ABOUT THE COVER OF 2025 INTERIM REPORT

The design patterns on the front cover of this report, as viewed from top to bottom, are the MCC Capital Zhangxuan High-Tech Hydrogen Metallurgy Energy Development and Utilization Demonstration Project (中冶京誠張宣高科氫冶金能源開發和利用工程示範項目), China MCC 5 Xiongan International Trade Center Project (中國五冶雄安國貿中心項目), and China MCC 5 Zhengzhou Zhongyuan Medical Science City International Exchange Center Project (中國五冶鄭州中原醫學科學城國際交流中心項目); and the design pattern on the backcover is the China MCC 5 Xiongan International Trade Center Project (中國五冶雄安國貿中心項目).



Section I Definitions

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

Definitions of Commonly 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”	the 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
“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
“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.
“SINOSICO”	China Silicon Corporation Ltd.
“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.*
“Director(s)”	the director(s) of the Company, including all executive, non-executive and independent non-executive Directors

Section I Definitions

"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.*
"Reporting Period"	from 1 January 2025 to 30 June 2025
"A Share(s)"	the domestic shares with a nominal value of RMB1.00 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 RMB1.00 each in the ordinary share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in HKD
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 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
"HKD"	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 refer 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 ability to create value, market competitiveness, innovative driving force, resource allocation and cultural soft power
"Four Stabilities and Eight Progressions"	stabilising growth, stabilising the grass-roots level, stabilising funds, and stabilising the team, while further advancing foundational management, marketing quality, bold reforms, technological innovation, team building, Party building, project management, and overseas business operations
"'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

* For identification purposes only

Section II Chairman's Statement



Chen Jianguang Chairman

Section II Chairman's Statement

Dear Shareholders,

On behalf of the Board of the Company, I hereby present MCC's 2025 interim report, and express heartfelt gratitude to friends from all walks of life who have long supported and cared about the Company's reform and development.

In the first half of 2025, MCC adhered to the guidance of the socialist ideology of Xi Jinping with Chinese characteristics in the new era, precisely assessed the profound and complex changes in the external situation, insisted on the general keynote of seeking progress in a stable manner, prioritized high-quality development as its primary task, anchored the Goals for "one building, two most, five strong", proactively adjusted its strategies, slowed down the pace of development, transformed its development model, optimized its industrial structure, and coordinated the implementation of diverse tasks related to "Four Stabilities and Eight Progressions". During the Reporting Period, the Company secured new contracts valued at RMB548,202 million, operating revenue of RMB237,533 million, and total profit of RMB5,279 million, of which the net profit attributable to Shareholders of the listed company was RMB3,099 million, maintaining a stable overall operation and making steady progress in various tasks.

Our development resilience has gradually become evident. First, the advantages of our core business have become more prominent. The Company has conscientiously implemented the deployment of the SASAC, focusing on metallurgical engineering, non-ferrous and mining engineering as its core businesses, deepening existing markets and expanding new ones. In the first half of the year, newly signed contracts amounted to RMB120.2 billion, accounting for 21% of the total, marking solid progress in business restructuring and optimization, with core functions being continuously strengthened. The newly signed Vale Tecnoled Molten Reduction Ironmaking Project in Brazil (巴西淡水河谷Tecnoled熔融還原煉鐵項目) marked the first overseas breakthrough in low-carbon ironmaking technology. The EPCM for the Sohar Mineral Processing Project of Jinnan Middle East Mining in Oman (晉南中東礦業阿曼蘇哈爾選礦項目EPCM) pioneered a new model of international mining cooperation. Second, mineral resources have provided strong support. In the first half of the year, the Company added resources of 245,000 tons of nickel, and 23,000 tons of cobalt, achieving continuous breakthroughs in exploration. Three operating mines achieved full production and sales, generating a total profit of RMB550 million, representing a year-on-year increase of 26.2%. Third, domestic and international markets have developed in a coordinated manner. The Company has continued to expand its presence in key domestic regions, focusing on breakthroughs in strategic areas. In the first half of the year, the Company ranked second among central enterprises in both the number and value of projects won in the Xiong'an New Area. Meanwhile, the Company actively expanded overseas markets, emphasizing long-term localization and operational sustainability. Overseas markets achieved newly signed contracts worth RMB57.75 billion in the first half of the year, representing a year-on-year increase of 32.6%, demonstrating strong growth momentum. Despite multiple challenges in the internal and external environment and immense pressure as the Company entered the "four periods of deep adjustment", MCC, with its diversified business system centered on "One Core, Two Main Bodies and Five Features" and its coordinated domestic and international market development strategy, has demonstrated strong development resilience, conveying confidence and strength.

Section II Chairman's Statement

Our endogenous momentum has continued to strengthen. First, the driving force of innovation was effectively leveraged. We possess the only National Key Laboratory in the field of steel metallurgy and environmental protection. By applying independently developed extra-thick slab continuous casting technology, the world's thickest 480mm slab continuous casting project for Longteng Special Steel went through hot load testing successfully. The upgraded 2.0 version of the steel low-carbon service platform we built and operated provided new digital support for the green and low-carbon transformation of the steel industry. The ultra-thin, ultra-wide high-end stainless steel hot rolling mill we designed and developed was successfully applied in China's first 3,500mm stainless steel wide-plate short-process project, highlighting the role of technological innovation in leading industrial development. Second, the advantages of the linkage mechanism continued to expand. The effects of the "Five Linkages" became increasingly evident. Internally, through strong collaboration, we secured the EPC project for the Yandong Copper Mine processing of Hami Dingxin Copper (哈密新銅業延東銅礦選礦EPC工程) and won a ten-billion-RMB contract for the comprehensive development project of the Cuihu District in the Zhengzhou Aviation Port Economic Comprehensive Experimental Zone (鄭州航空港經濟綜合實驗區翠湖片區綜合開發項目百億元合同). Leveraging our parent company China Minmetals, we deepened our participation in China's salt lake construction and strengthened cooperation with mining enterprises such as Hunan Nonferrous Metals and Minmetals Nonferrous Metals, expanding the integrated advantages of the full industry chain. Externally, we transformed competition into collaboration, partnering with China Railway Construction to secure the Baoshan Station project of the Shanghai-Nanjing-Hefei High-Speed Railway and the integration of station and city of Baoshan Station TOD and supporting facilities project, adding another ten-billion-RMB contract. Third, steady progress was made in strengthening foundational management and addressing weaknesses. Our project execution capabilities continued to improve, earning 103 achievements in construction project management from the China Construction Enterprise Association, accounting for 21.1% of the total awards, with a significant increase in the number of recognitions. By implementing the Amoeba management philosophy, we compiled and issued the Key Work Guidelines for Project Cost Control, advancing refined project management. We also held the first Supply Chain Cooperation and Development Conference to build a high-quality supply chain ecosystem. MCC has consistently maintained strategic focus, transforming inherent advantages into developmental successes through connotative growth, continuously expanding new opportunities and adding new momentum.

Our brand influence has expanded and grown. As an innovative enterprise, MCC has demonstrated outstanding capabilities in innovation and award-winning achievements. Five major achievements led by MCC were successfully nominated for the 2025 National Science and Technology Awards; five achievements won the 2024 Huaxia Construction Science and Technology Awards; and four projects were approved as pilot applications of Chinese standards overseas, with the highest number of approvals among central enterprises. Among its nine affiliated enterprises evaluated in the "Sci-Tech Reform Action" and "Double Hundred Action", three were rated as benchmarks, three as excellent, and three as good, achieving outstanding results. The Company places great emphasis on cultural and ethical progress. In the first half of the year, three units were awarded the title of the Seventh "National Civilized Unit", five units retained this honor, and seven employees received national honors such as National Model Worker, China Youth May Fourth Medal, and New Era Youth Pioneer Award, strongly demonstrating MCC's brand "soft power" and enhancing corporate reputation.

At present, as the "14th Five-Year Plan" is drawing to a close and the new journey of the "15th Five-Year Plan" is about to begin, MCC is at a critical stage of transformation and upgrading, facing an uphill battle with no easy path ahead. However, we believe that perseverance and steady progress will ultimately lead to success. MCC will rally even more closely around the Party Central Committee with Comrade Xi Jinping at its core, and with a pragmatic work ethic and tangible results in high-quality development, we will deliver returns to our shareholders and investors. Let us join hands, remain undeterred by temporary setbacks or turbulent challenges, focus our efforts on development, strive for breakthroughs, withstand the drastic changes in the industry cycle, endure the growing pains of transformation, grow with resilience, and upgrade through transformation, together embracing a future of high-quality development.



Section III 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 endeavours 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 7th in ENR's “Top 250 Global Contractors” in 2025.

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 80 international standards and 686 national standards. It has over 60,000 engineering technicians, two academicians of the Chinese Academy of Engineering, 13 national exploration and design masters, five experts listed on the “National Hundred, Thousand and Ten Thousand Talent Project”, three winners of the Grand Skill Award of China, three gold medallists of the World Skills Competition, 93 National Technical Experts and ten national skill master studios.

The Company has a reasonable business structure. It has accelerated the pace of transformation and upgrading by leveraging the technological and qualification advantages that have been accumulated for more than 70 years in the field of the entire process and industrial chain of iron and steel metallurgy, and has continued to consolidate and enhance the metallurgy business, optimise and enhance the housing construction business, expand and enhance the infrastructure business, and has 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 and one of the largest steel structure production enterprises in China.

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 five comprehensive Class A design qualifications and 50 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 at the forefront in China.

The Company has a wide market coverage. It has established 145 overseas institutions in 55 countries (regions), mainly distributed in Southeast Asia, South Asia, the Middle East and the CIS along the “Belt and Road” initiative, and owns seven overseas mines, of which three are in production. Its domestic secondary institutions and contracted projects are spread across 31 provinces, autonomous regions, and municipalities.

During its 70-plus 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 China Construction Industry Association's Luban Prize for Construction Projects (National Quality Engineering) (including participation) for 149 projects (including participation), the China Association of Construction Enterprise Management's National Quality Engineering Award for 318 projects (including participation), the China Civil Engineering Society's 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 respectively. At present, the A Shares of the Company have been selected to be a constituent stock of SSE 180 Constituent Index, the SSE Central State-owned Enterprises Index, MSCI Concept 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, CRHC Stock Connect Central State-owned Enterprises Dividend Index, etc.

Section III 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	Chang Qi	Chang Qi, 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. CHANGES IN BASIC INFORMATION

Registered address of the Company	28 Shuguang Xili, Chaoyang District, Beijing
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, 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 of the Company	http://www.mccchina.com
E-mail	ir@mccchina.com
Query index of changes during the Reporting Period	Not Applicable

Section III Company Profile and Major Financial Indicators

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Name of newspapers for information disclosure designated by the Company	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website designated by the CSRC for publication of the A Shares interim report	http://www.sse.com.cn
Website designated by the Hong Kong Stock Exchange for publication of the H Shares interim report	http://www.hkexnews.hk
Place where an interim report of the Company is available for inspection	MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing, the PRC
Query index of changes during the Reporting Period	Not Applicable

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	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, Bund Center, 222 East Yan'an Road, Shanghai
	Signing auditors	Chen Wenlong, Zhou Hongyu
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 (until 21 August 2025), Yang Bin (until 21 August 2025), Yu Mengyao, Zhao Wei
	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 utilised, 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 the 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

Section III Company Profile and Major Financial Indicators

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Major Accounting Data

Unit: RMB'000

Major accounting data	This Reporting Period (January to June)	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared to the corresponding period of the previous year (%)
Operating revenue	237,532,712	298,841,527	-20.52
Total profit	5,279,149	5,681,148	-7.08
Net profit attributable to Shareholders of the listed company	3,099,278	4,149,738	-25.31
Net profits attributable to shareholders of the listed company after deducting non-recurring profits and losses	2,326,486	3,218,416	-27.71
Net cash flow generated from operating activities	(21,984,978)	(28,406,160)	N/A
	End of the Reporting Period	End of the previous year	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year (%)
Net assets attributable to Shareholders of the listed company	151,128,690	153,043,098	-1.25
Total assets	857,406,039	808,015,755	6.11

Section III Company Profile and Major Financial Indicators

(II) Major Financial Indicators

Major financial indicators	This Reporting Period (January to June)	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared to the corresponding period of the previous year (%)
Basic earnings per share (<i>RMB/Share</i>)	0.09	0.11	-18.18
Diluted earnings per share (<i>RMB/Share</i>)	0.09	0.11	-18.18
Basic earnings per share after deducting non-recurring profits and losses (<i>RMB/Share</i>)	0.05	0.07	-28.57
Weighted average return on net assets (%)	1.72	2.35	Decrease by 0.63 percentage point
Weighted average return on net assets after deducting non-recurring profits and losses (%)	0.98	1.41	Decrease by 0.43 percentage point

Explanation of major accounting data and financial indicators of the Company

☐ Applicable ☒ Not applicable

Section III Company Profile and Major Financial Indicators

(III) Financial Highlights

1. Overview

The Company's financial position as at 30 June 2025 and the operating results for the six months ended 30 June 2025 were as follows:

- Operating revenue amounted to RMB237,533 million, representing a decrease of RMB61,309 million or 20.52% from RMB298,842 million in the first half of 2024.
- Total profit amounted to RMB5,279 million, representing a decrease of RMB402 million or 7.08% from RMB5,681 million in the first half of 2024.
- Net profit attributable to the Shareholders of the listed company amounted to RMB3,099 million, representing a decrease of RMB1,051 million or 25.31% from RMB4,150 million in the first half of 2024.
- Basic earnings per share amounted to RMB0.09, while the basic earnings per share in the first half of 2024 amounted to RMB0.11.
- As at 30 June 2025, total assets amounted to RMB857,406 million, representing an increase of RMB49,390 million or 6.11% from RMB808,016 million as at 31 December 2024.
- As at 30 June 2025, the Shareholders' equity amounted to RMB180,599 million, representing a decrease of RMB1,737 million or 0.95% from RMB182,336 million as at 31 December 2024.
- The value of newly signed contracts amounted to RMB548,202 million, representing a decrease of RMB129,595 million or 19.12% from RMB677,797 million in the first half of 2024.

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

2. Operating Revenue from Principal Business Segments

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

(1) Engineering Contracting Business

Operating revenue amounted to RMB216,915 million, representing a decrease of RMB60,448 million or 21.79% from RMB277,363 million in the first half of 2024.

(2) Featured Business

Operating revenue amounted to RMB18,313 million, representing a decrease of RMB1,011 million or 5.23% from RMB19,324 million in the first half of 2024.

(3) Comprehensive Real Estate Business

Operating revenue amounted to RMB4,797 million, representing a decrease of RMB233 million or 4.63% from RMB5,030 million in the first half of 2024.

Section III Company Profile and Major Financial Indicators

(4) Other Businesses

Operating revenue amounted to RMB184 million, representing a decrease of RMB159 million or 46.52% from RMB343 million in the first half of 2024.

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

3. Summary of financial statements

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

(1) Consolidated Income Statement

Unit: RMB'000

Items	Note	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
I. Operating revenue	VII 51	237,532,712	298,841,527
Including: Operating revenue		237,532,712	298,841,527
II. Total operating costs		228,566,665	288,509,974
Including: Operating costs	VII 51	213,563,935	271,800,189
Taxes and surcharges	VII 52	877,155	911,497
Selling expenses	VII 53	1,304,083	1,386,378
Administrative expenses	VII 54	5,332,722	5,708,421
Research and development expenses	VII 55	6,734,970	8,066,189
Financial expenses	VII 56	753,800	637,300
Including: Interest expenses		1,435,030	1,305,831
Interest income		937,172	973,653
Add: Other income	VII 57	239,657	249,163
Investment losses	VII 58	(445,757)	(600,908)
Including: (Losses)/Gains from investments in associates and joint ventures		(52,241)	19,421
Losses from derecognition of financial assets at amortised costs		(256,644)	(401,664)
Losses from changes in fair values	VII 59	(44,681)	(216,602)
Impairment losses of credit	VII 60	(1,905,514)	(2,776,908)
Impairment losses of assets	VII 61	(1,700,083)	(2,089,156)
Gains from disposal of assets	VII 62	178,667	847,464
III. Operating profit		5,288,336	5,744,606
Add: Non-operating income	VII 63	127,460	142,293
Less: Non-operating expenses	VII 64	136,647	205,751

Section III Company Profile and Major Financial Indicators

Items	Note	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
IV. Total profit		5,279,149	5,681,148
Less: Income tax expenses	VII 65	1,206,157	980,516
V. Net profit		4,072,992	4,700,632
(I) Net profit classified by continuity of operation			
Net profit from continuing operations		4,072,992	4,700,632
(II) Net profit classified by ownership ascription			
Net profit attributable to Shareholders of the Company		3,099,278	4,149,738
Net profit attributable to non-controlling interests		973,714	550,894
VI. Other comprehensive loss, net of income tax	VII 47	(26,314)	(260,201)
Other comprehensive loss attributable to Shareholders of the Company, net of income tax		(13,674)	(270,496)
(I) Items that will not be reclassified to profit/(loss)		13,887	(18,012)
1. Re -measurement of defined benefit plans		120	(76,465)
2. Other comprehensive loss that cannot be reclassified to profit or loss under the equity method		(23)	(10)
3. Changes in fair value of investments in other equity instruments		13,790	58,463
(II) Items that may be reclassified to loss		(27,561)	(252,484)
1. Other comprehensive loss that may be reclassified to profit under the equity method		(1,916)	(309)
2. Changes in fair value of receivables at FVTOCI		9,721	26,284
3. Exchange differences on translating financial statements in foreign currencies		(35,366)	(278,459)
Other comprehensive (loss)/income attributable to non-controlling interests, net of income tax		(12,640)	10,295

Section III Company Profile and Major Financial Indicators

Items	Note	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
VII. Total comprehensive income		4,046,678	4,440,431
Total comprehensive income attributable to Shareholders of the Company		3,085,604	3,879,242
Total comprehensive income attributable to non-controlling interests		961,074	561,189
VIII. Earnings per share	VII 66		
(I) Basic earnings per share (RMB/share)		0.09	0.11
(II) Diluted earnings per share (RMB/share)		0.09	0.11

(2) Summary of Consolidated Total Assets and Total Liabilities at the end of June 2025

Unit: RMB'000

	30 June 2025	31 December 2024
Total assets	857,406,039	808,015,755
Total liabilities	676,806,588	625,679,889
Total equity	180,599,451	182,335,866

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

☐ Applicable ☒ Not applicable

Section III Company Profile and Major Financial Indicators

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

Unit: RMB'000

Non-recurring profit and loss items	Amount	Note
Profit or loss on disposal of non-current assets, including the write-off of provision for impairment of assets	177,863	XVIII 1
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)	173,805	XVIII 1
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	(44,681)	XVIII 1
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss	49,312	XVIII 1
Reversal of provision for impairment of receivables individually tested for impairment	718,637	XVIII 1
Profit/loss from debt restructuring	18,107	XVIII 1
Other non-operating income and expenses other than the above items	(28,373)	XVIII 1
Profit or loss on disposal of long-term equity investments	2,210	XVIII 1
Less: Impact on income tax	(165,124)	XVIII 1
Impact on minority Shareholders interests (after tax)	(128,964)	XVIII 1
Total	772,792	XVIII 1

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

Section III Company Profile and Major Financial Indicators

X. COMPANIES WITH STOCK INCENTIVE PLANS OR EMPLOYEE STOCK OWNERSHIP PLANS MAY CHOOSE TO DISCLOSE NET PROFIT AFTER DEDUCTING THE IMPACT OF SHARE-BASED PAYMENTS

☐ Applicable ☒ Not applicable

XI. MAJOR FINANCIAL DATA IN 2025 ON A QUARTERLY BASIS

Unit: RMB'000

Major accounting data	The first quarter (January – March)	The second quarter (April – June)
Operating revenue	122,272,308	115,260,404
Total profit	2,607,378	2,671,771
Net profit attributable to Shareholders of the listed company	1,607,206	1,492,072
Net profit attributable to Shareholders of the listed company after deducting non-recurring profits and losses	1,606,854	719,632
Net cash flow generated from operating activities	(25,694,659)	3,709,681

Section IV Report of Board of Directors, Management Discussion and Analysis

I. EXPLANATION OF THE INDUSTRIES THAT THE COMPANY ENGAGES IN AND THE PRINCIPAL OPERATING RESULTS DURING THE REPORTING PERIOD

MCC is a mega construction central enterprise with metallurgical construction as its core business. It is the world's largest metallurgical construction contractor and metallurgical enterprise operations service provider. In recent years, the Company has accelerated the pace of transformation and upgrading by leveraging on the outstanding technological and qualification advantages that have been accumulated in the field of the entire process and industrial chain of iron and steel metallurgy, and continued to diversify our business operations, focusing on building new pillars for future growth and identifying new profit drivers. It 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".

(I) Engineering Contracting

1. Industry Overview

In the metallurgical construction industry, from January to June 2025, the national crude steel output was 515 million tons, representing a year-on-year decrease of 3.0%. The apparent domestic consumption of crude steel was 452 million tons, representing a year-on-year decrease of 5.6%. The iron and steel industry are still in the stage of reduced development and stock optimisation. In July 2025, the MIIT deployed a new round of growth stabilisation plans for ten key industries, including iron and steel. The plan aims to promote structural adjustments, optimise supply, and eliminate outdated production capacity in the industry, while setting higher requirements for technological innovation and service upgrades in metallurgical construction. Meanwhile, with the increasing concentration of production lines in iron and steel enterprises, the growing application of intelligent technologies, and the gradual popularisation of 5G + Internet of Things (IoT) technologies, the scale of related equipment and facility construction has been growing year by year. In the future, in addition to the continued construction of digital infrastructure, there is still significant room for development in the iron and steel industry in areas such as the expansion of intelligent application scenarios, the deep integration of digital and intelligent technologies with steel production processes, and the further application of large artificial intelligence (AI) model technologies.

In the field of housing construction and municipal infrastructure construction, the new version of the *Residential Project Standards* has been officially implemented, raising higher and more forward-looking requirements for urban residential construction in China from the aspects of "safety, comfort, green, and intelligence". This has positively driven construction enterprises to actively improve residential quality, develop construction industrialisation and prefabricated buildings, and establish refined and digital construction management systems. Green and intelligent housing will become a new growth point for the industry's development. The General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the *Opinions on Continuously Advancing Urban Renewal Actions*. The document outlines tasks in eight areas: the renovation and utilisation of existing buildings, the renovation of old urban residential areas, the construction of complete communities, the updating and renovation of old streets, factories, and urban villages, urban infrastructure construction, and the restoration of urban ecosystems. It also proposes various methods to strengthen support, including increasing central budget investments, increasing local government fiscal input, implementing tax and fee reductions for urban renewal, strengthening credit support, and improving market-oriented investment and financing models. The goal is to achieve significant progress in urban renewal by 2030, with early results in the transformation of urban development and construction methods. The above arrangements and supporting policies will play a positive role in the housing construction and municipal infrastructure markets. The Company will also seize the development opportunities and actively engage in both of its two main business areas.

Section IV Report of Board of Directors, Management Discussion and Analysis

In the field of overseas business, the global economic landscape is accelerating its restructuring, and positive factors for the development of the overseas engineering industry are rapidly accumulating, presenting favourable opportunities for market expansion. Among them, regional plans such as Southeast Asia's "Land-Sea Link", the Middle East's "Green Energy Corridor", and Africa's "Industrialised Infrastructure Plan" are releasing an annual infrastructure demand of over USD1.2 trillion. National strategies like Saudi Arabia's "Vision 2030" and Indonesia's "Global Maritime Fulcrum" are deeply aligned with China's production capacity, creating significant market opportunities in fields such as power, transportation, and park development. Meanwhile, the country is actively implementing relevant policies to strongly support cross-border trade and investment, guiding financial institutions to participate in the Belt and Road Initiative, optimising cross-border RMB services, supporting enterprises in managing exchange rate risks, and addressing financing challenges. These efforts provide stronger policy support for the high-quality development of the overseas engineering industry.

2. Business Segments

Overall operating results of the engineering contracting business in the first half of 2025

Unit: RMB'000

	In the first half of 2025	% of the total	In the first half of 2024	Year-on-year increase/decrease
Segment operating revenue	216,914,903	90.30%	277,363,228	-21.79%
Gross margin (%)	9.58	—	8.50	Increased by 1.08 percentage points

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

(1) Metallurgical Construction Business

Metallurgical construction business is the Company's traditional core business, with its scope covering new construction, expansion, and intelligent, green, and efficient transformation projects in the iron and steel and non-ferrous industries, as well as operational services for steel plants and non-ferrous industries. As the 'national team' of China's metallurgical industry, the world's largest and strongest metallurgical construction contractor and operation service provider in metallurgical corporations, the Company, relying on the integration advantages of metallurgical engineering consultation, survey, design and construction of the whole industrial chain, occupies an absolutely leading position in the field of metallurgical construction.

Section IV Report of Board of Directors, Management Discussion and Analysis

During the Reporting Period, the Company continued to maintain its market and technological advantages in metallurgical construction, focusing on serving the transformation and upgrading of the metallurgical, non-ferrous, and mining industries. It closely followed market demands such as product structure adjustments and intelligent upgrades, providing comprehensive solutions and leading industrial innovation through technological advancements. During the Reporting Period, the key metallurgical construction projects won and signed by the Company are as follows:

No.	Name of Project (Contract)	Contract Amount
		(RMB'00 million)
Domestic Projects		
1	Xinjiang Akto County Ziluoyi North Iron Ore Beneficiation and Tailings Pond Project	10.8
2	Hami City Hami Dingxin Copper Industry Yandong Copper Mine Beneficiation Project EPC General Contract	10.0
3	Ultra-high Temperature Subcritical Gas Power Generation Engineering-Procurement-Construction (EPC) Project of Jinding Heavy Industry Co., Ltd.	8.8
4	General Contract for No. 3 1,320m ³ Blast Furnace of the Blast Furnace Capacity Replacement and Supporting Facility Renovation Project of Lianfeng Steel (Zhangjiagang) Co., Ltd.	8.5
5	Major Renovation Project of No. 1 Blast Furnace of Baoshan Steel at Baoshan Base	5.7
6	EPC Contract for the Energy-saving Technological Renovation Project of Jvye Coal Chemical Co., Ltd. in Hanjin Banner	3.1
Overseas Projects		
1	Oman Sohar Ore Beneficiation Plant Project EPCM Project of Jinnan Zhongdong Mining	28.8
2	EPC Project of Reheating-type Top-charging Coke Oven with a Capacity of 1.5 Million Tons per Year and Supporting Facilities of Kazakhstan Qarmet Group	20.4
3	00RTSOG 0V00 Tin Mine Mining, Consignment Sales, and Tin Ore Processing Plant Construction and Operation Project of Dundgobi Province, Mongolia	13.5
4	Brazil Vale Tecnoired Direct Reduction Ironmaking Project	7.9

Section IV Report of Board of Directors, Management Discussion and Analysis

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

Unit: RMB'000

Items of revenue	In the first half of 2025		In the first half of 2024		In the first half of 2023	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Metallurgical engineering	47,566,922	21.93	56,705,525	20.44	59,986,756	19.38

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

(2) Housing Construction and Municipal Infrastructure Construction Business

Housing construction and municipal infrastructure construction is the Company's "main" business and an important source of operating revenue. The scope of this business mainly includes super high-rise buildings, large-scale venues, complex public buildings with intricate structures and functions, large-scale urban district construction and renovation projects, as well as transportation and municipal infrastructure projects with comparative advantages, such as high-grade highways, rail transit, power engineering, petrochemical engineering, water conservancy engineering, and telecommunications engineering. During the Reporting Period, the Company, based on serving the national development strategy, continuously optimised and adjusted its housing construction and municipal infrastructure construction business. It further tilted its advantageous resources towards economically dynamic regions and key industry sectors, fully leveraging the Group's full industrial chain resources. The Company strengthened the synergy between construction units and design institutes, mining, design, and construction business, as well as between specialised platform companies and design-construction units. By enhancing internal collaboration, the Company worked together to create differentiated competitive advantages. During the Reporting Period, the key housing construction and municipal infrastructure projects won and signed by the Company are as follows:

Section IV Report of Board of Directors, Management Discussion and Analysis

No.	Name of Project (Contract)	Contract Amount (RMB'00 million)
Domestic Projects		
1	Comprehensive Development Project of Cuihu Area, Zhengzhou Airport Economic Comprehensive Experimental Zone	120.0
2	Integrated Investment, Construction, and Operation Contract for the Integrated Development Project around Jinrongdao Station	59.2
3	Station-city Integration and Supporting Facilities Construction Project (Plot 02aA-04) of Baoshan High-speed Rail Station	30.0
4	General Contracting Project of Shanghai Baoshan Station Building and Related Works of the New Shanghai-Nanjing-Hefei High-speed Railway	20.7
5	Engineering Contract of Caofeidian Central Hospital Project	15.7
6	Engineering General Contracting for the Public Construction Portion of Phase I of the Innovation Workshop in the Start-up Area and the Public Construction Portion of Phase II of the Innovation Workshop in the Start-up Area	13.4
7	Station-city Integration and Supporting Facilities Construction Project (Plot 13A-01) of Baoshan High-speed Rail Station	12.0
8	Civil Engineering Project B of Factory and Ancillary Facilities of the 8.6-generation Active Matrix Organic Light-emitting Display Device Production Line Project	11.3
9	Engineering General Contracting contracts for the Residential Portion of Phase I of the Innovation Workshop in the Start-up Area, the Northern Residential Portion of Phase II of the Innovation Workshop in the Start-up Area and the Section III of the Southern Residential Portion of Phase II of the Innovation Workshop in the Start-up Area	11.0
10	Main Access Road and Terminal Area Road (West Side) Construction Project-Ground Access Road and Bridge Project of the Expansion and Reconstruction Project of Kunming Changshui International Airport	9.9
11	Highway Connection Project of the Yangtze River Highway-railway Bridge of the Chaohu-Ma'anshan Intercity Railway	9.9
12	Municipal Transportation Infrastructure Project of Shenzhen Bay Super Headquarters Base	5.8
Overseas Projects		
1	Youth Social and Economic Centre Urban Project in Khodjeyli City, Republic of Karakalpakstan, Uzbekistan	29.0
2	Cambodia Key Livelihood Project – TPMG Group Areiy Ksatr Techo Smart City Affordable Housing Project	9.7
3	Outbound Highway Commercial and Residential Project along Street 4P-176 in the Republic of Karakalpakstan	4.7
4	88MW Photovoltaic Solar Power Plant Construction Project in Cherchel City, Tiaret Province, Algeria	4.4

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

Unit: RMB'000

Items of revenue	In the first half of 2025		In the first half of 2024		In the first half of 2023	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Housing construction and municipal infrastructure engineering	169,347,981	78.07	220,657,703	79.56	249,464,191	80.62

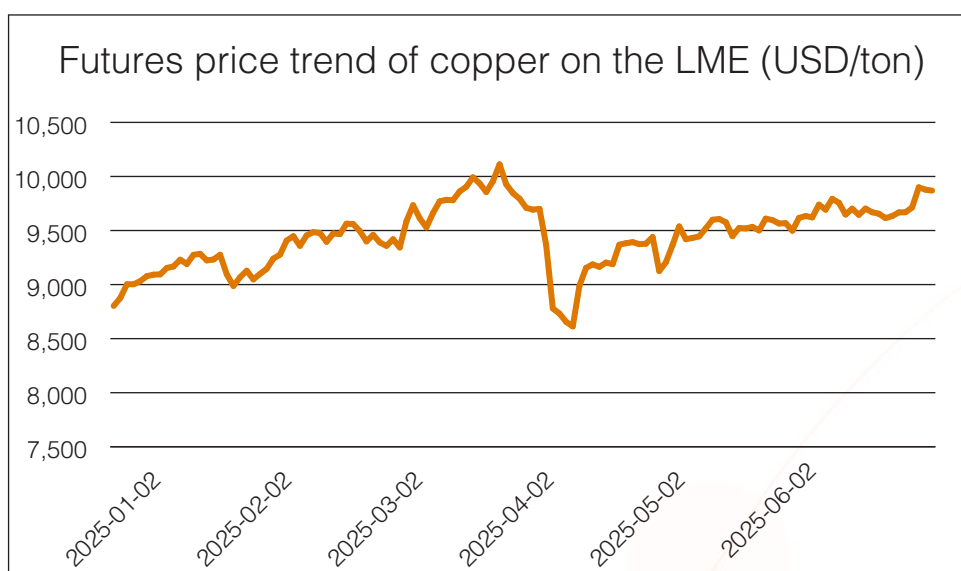
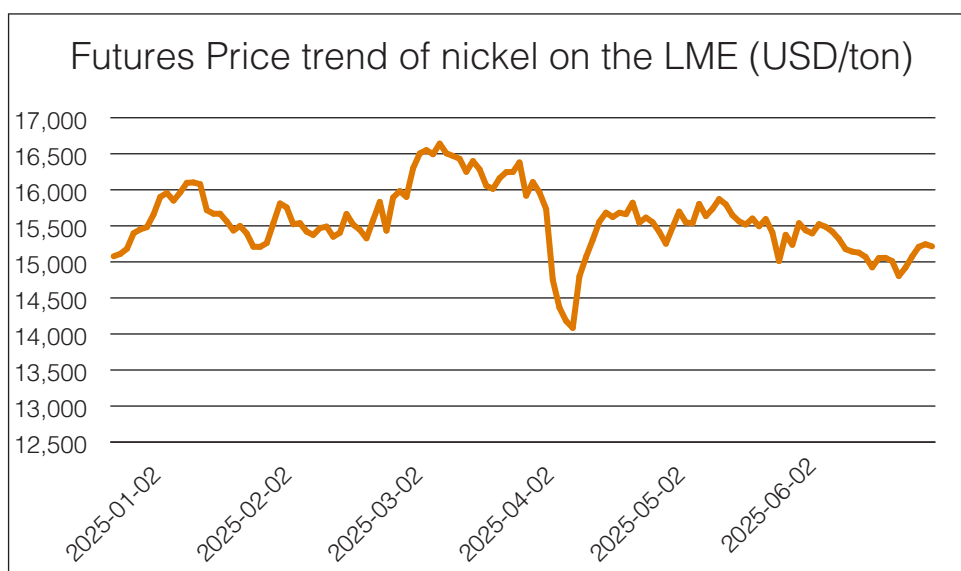
Note: The segment operating revenue is data without offsetting inter-segment transactions.

Section IV Report of Board of Directors, Management Discussion and Analysis

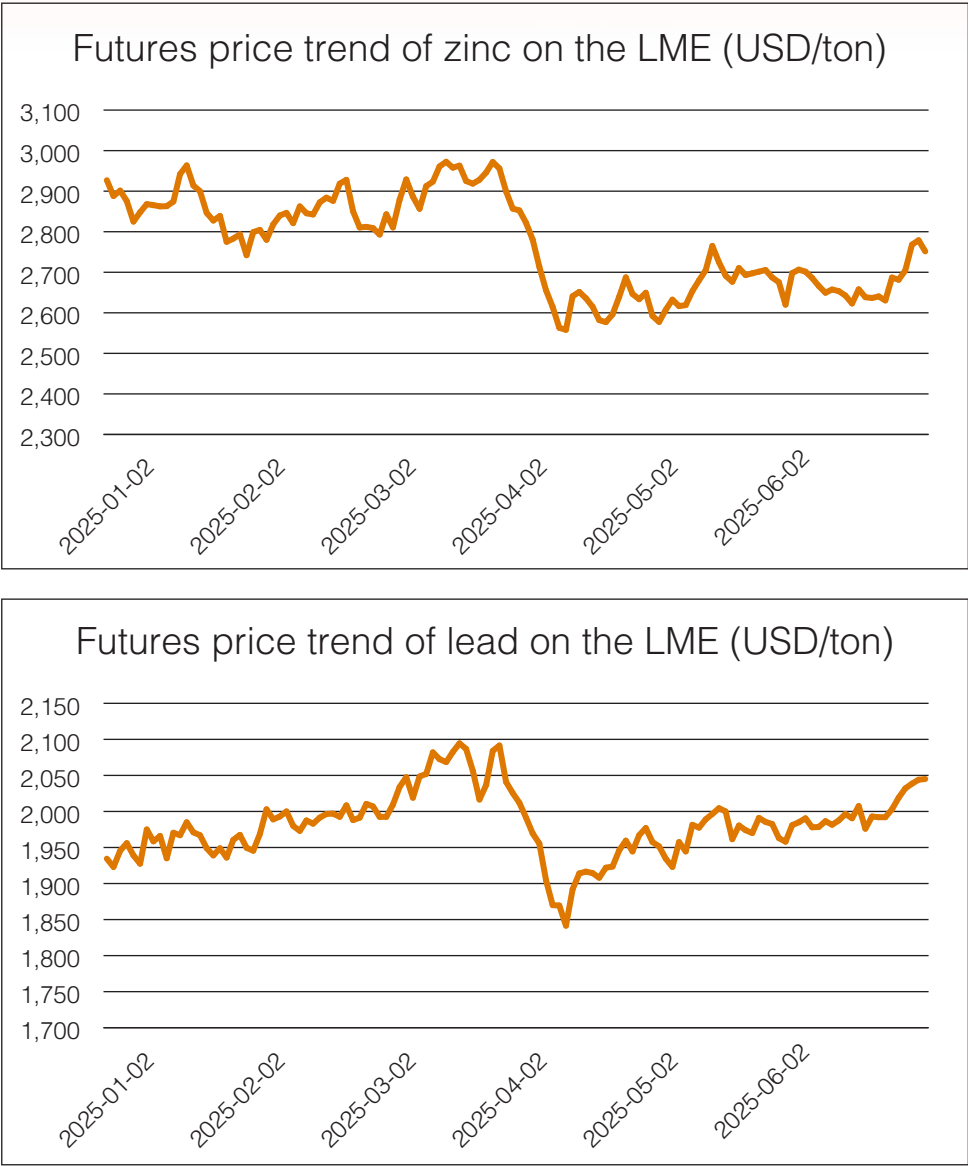
(II) Featured Business

1. Industry Overview

In the field of mineral resources, during the first half of 2025, the prices of non-ferrous metals continued to fluctuate. In the first quarter, the overall performance was narrow fluctuations with a slow upward trend, while in the second quarter, there was a rapid decline followed by a gradual rebound. The price trends of different non-ferrous metal varieties still showed clear differentiation. The average prices in the first half of 2025 for nickel, copper, zinc, and lead on the London Metal Exchange (LME) were USD15,576 per ton, USD9,445 per ton, USD2,770 per ton, and USD1,982 per ton, respectively. These represent year-on-year changes of -12.2%, +2.7%, +3.6%, and -7.8%, respectively. The specific price trends are shown in the chart below:



Section IV Report of Board of Directors, Management Discussion and Analysis



Source: iFind Financial Data

In the field of engineering services, the national “carbon neutrality and carbon peak” goals and the new infrastructure strategy are continuously deepening. The demand for green buildings and intelligent consulting has surged. Driven by both policy support and technological innovation, the engineering services industry is experiencing structural growth. Among them, the demand for digital consulting, ESG assessments, and whole-process engineering consulting has increased. The application of BIM, AI-assisted decision-making, and digital twins is being accelerated, driving the industry to shift from “experience-driven” to “data-driven” development.

In the field of new materials, the industry is accelerating its development towards high performance, domestic substitution, and green low-carbon directions. With the continuous growth of industries such as 5G, AI, and new energy, the demand for new materials and technological innovations will further expand.

Section IV Report of Board of Directors, Management Discussion and Analysis

In the field of high-end equipment, as the core carrier of national strategic industries, the high-end equipment manufacturing industry is being driven by both technological iteration and industrial upgrading. The *Implementation Plan for Promoting Equipment Upgrades in the Industrial Sector* proposes that by 2027, the investment in industrial equipment will increase by more than 25% compared to 2023. The penetration rate of digital R&D and design tools in large-scale industrial enterprises, and the CNC rate of key processes of industrial enterprises above a designated scale will exceed 90% and 75%, respectively. Digital transformation will be fully implemented at all industrial enterprises above a designated scale in major industrial provinces and cities, and key industrial parks. The high-end equipment manufacturing industry is undergoing a critical transformation from “scale expansion” to “quality leap”. The rise of smart manufacturing equipment has become an important feature of this industry’s transformation.

In the field of energy and environmental protection, the overall energy and environmental protection business showed a development trend characterised by strong policy drivers, robust market demand, and distinct characteristics in segmented markets in the first half of 2025. Especially, the wind power industry has rebounded, accelerating the pace of installation, while the emerging energy storage market is steadily advancing. The demand for ecological environmental restoration is gradually being released, with the scale of ecological restoration projects, such as those for abandoned mining areas and degraded wetlands, increasing. In the industrial sector, the upgrading of pollution control facilities for high-emission industries is providing development opportunities for air pollution prevention and control. The continuous push for improvements in water ecological environment quality is driving the active implementation of water environment governance projects. Market demand for new construction and upgrading of urban sewage treatment plants, black and odorous water body treatment, and comprehensive water environment governance in river basins continues to rise.

2. Business Segments

Overall operating results of the featured business in the first half of 2025

Unit: RMB'000

	In the first half of 2025	% of the total	In the first half of 2024	Year-on-year increase/decrease
Segment operating revenue	18,313,213	7.62%	19,323,804	-5.23%
Gross margin (%)	17.62	–	16.63	Increased by 0.99 percentage point

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

(1) Mineral Resources Business

Mineral resources are a key featured business for the Company, mainly focusing on mining, beneficiation, and smelting in metal varieties such as nickel, cobalt, copper, lead, and zinc. The Company currently owns seven overseas mines. During the Reporting Period, the details on the progress of the Company’s major mineral resource projects in production and to be constructed are as follows:

- 1) Papua New Guinea Rimu Nico Mine Project: By the end of the Reporting Period, benefiting from the exploration results within the exploration rights area, the estimated nickel resource reserves of the project further increased to 2,114,600 tons, and cobalt reserves increased to 219,400 tons. During the Reporting Period, the cumulative production of nickel-cobalt hydroxide included 15,534 tons of nickel and 1,435 tons of cobalt, which remained roughly the same as the previous year. Sales of nickel-cobalt hydroxide amounted to 13,979 tons of nickel and 1,238 tons of cobalt, generating operating revenue of RMB1.35 billion and a profit attributable to the Chinese side of RMB230 million.

Section IV Report of Board of Directors, Management Discussion and Analysis

- 2) Pakistan Sandak Copper-Gold Mine Project: By the end of the Reporting Period, the estimated copper resource reserves of the project were 1,791,300 tons. During the Reporting Period, the project maintained stable and overproduction, with an average mining production rate of 117.5%. The smelting production of crude copper reached 11,562 tons, with a product average production rate of 115.6%. The sales of crude copper amounted to 12,079 tons, generating operating revenue of RMB1.01 billion and a profit attributable to the Chinese side of RMB150 million, representing year-on-year growth of 23.8% and 122.9%, respectively.
- 3) Pakistan Duddar Lead-Zinc Mine Project: By the end of the Reporting Period, the estimated lead reserves were 313,500 tons, and zinc reserves were 614,700 tons. Exploration work in the northern part of the mining area and its phase results met expectations, and it is expected that the lead and zinc resources will double in the second half of 2025. During the Reporting Period, the project completed the extraction of 271,000 tons of ore, with an average mining production rate of 108.4%. Cumulative production included 5,029 tons of lead concentrate and 23,331 tons of zinc concentrate, with a product average production rate of 114.8%. The sales of lead concentrate and zinc concentrate reached 4,326 tons and 23,138 tons, respectively, generating operating revenue of RMB460 million and a profit attributable to the Chinese side of RMB170 million, representing year-on-year growth of 22.0% and 68.1%, respectively.
- 4) Pakistan Siah Dik Copper Mine Project: During the Reporting Period, all relevant approval procedures in Pakistan for the project have been applied for and are mostly approved. Domestic approval procedures are still in progress. The Company will strengthen safety engineering in the mining area, particularly airport construction, and strictly implement safety and emergency response plans. The project's pre-development activities will continue to be advanced.
- 5) Afghanistan Aynak Copper Mine Project: During the Reporting Period, the Company maintained close communication with the Afghan interim government and is accelerating the feasibility study, mining road construction, and other preliminary work for the project. The Company is actively creating favourable conditions to improve the investment effects of the project and ensure that substantial progress is made in cooperation with the Afghan interim government at the earliest possible time. The total length of the mining road of the Aynak Copper Mine is approximately 13 kilometers. Currently, the first two sections, totaling 8.9 kilometers, have been completed and opened to traffic, while the remaining road is under construction.

(2) Engineering Services Business

The Company's engineering services business covers engineering management, supervision, investigation, quality inspection, information technology, and whole-process consultation. Its business model is characterised by integrated services across the entire industrial chain and is currently transitioning to "digitalisation, informatisation, intelligence, greening, and low carbonisation". 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 lifecycle 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 "MCC Baosteel Technology Services Co., Ltd.", "CISDI", "MCC Inspection", "CERIS", and "Yuan Da International".

Section IV Report of Board of Directors, Management Discussion and Analysis

During the Reporting Period, driven by policies and technology, the Company's engineering services business continued its transformation towards green and digital directions. Leveraging traditional advantages in metallurgical engineering and full industrial chain service capabilities, it maintained a leading market position. The regional focus strategy and overseas expansion showed significant results. During the Reporting Period, the key engineering services projects won and signed by the Company are as follows:

No.	Name of Project (Contract)	Contractual Amount (RMB'00 million)
1	Cold Rolling Project of Shandong Zhongxin Metallurgical Materials Co., Ltd.	0.41
2	Green High-purity Precision Casting Project of Processing Metal Pellets (1.2 Million Tons/Year) via Hydrogen-based Vertical Furnace and Hydrogen Generated from Solar Photovoltaic Power Generation of Xinjiang Hengtai Green Energy Metallurgical Casting Co., Ltd.	0.35
3	Phase I Project Engineering Supervision Bid 32501 of Shenzhen City Urban Rail Transit Line 32	0.19
4	Full-process Engineering Consultancy for New Construction Project of Feng'an Nine-year School in Pinghu Subdistrict, Shenzhen	0.15
5	Main Engineering Supervision Service Contract of the Xiong'an Base Project of China Energy Investment	0.14
6	Electromechanical Installation and Decoration Engineering Supervision Contract of the Express Line Project from Xiong'an New Area to Beijing Daxing International Airport	0.13
7	Testing and Monitoring Project of the Bridge and Tunnel Regular Inspection and Structural Deformation Monitoring Project (2024–2026) of Changchun City Rail Transit Lines 1, 2, 3, 4, and 8	0.09

(3) New Materials Business

The Company's new materials products mainly include silicon-based materials, scandium alum, refractory materials, semiconductor materials, welding materials, and new building materials.

The Company's subsidiary, SINOSICO primarily produces, researches, develops, and sells silicon-based materials, such as high-purity polysilicon, high-purity silicon tetrachloride, and electronic gases, and has built a product cluster of key silicon-based materials required for integrated circuits, optical communications, new energy, and advanced manufacturing development. As an outstanding innovative enterprise in China's electronic information industry, SINOSICO was granted 265 authorised patents, formulated 73 international, national, and industry standards, and undertook 26 national key projects, many of which have filled domestic gaps. The Company has also pioneered the use of independent technologies to break foreign technological blockades and market monopolies. Its main products have a high market share both in domestically and internationally. During the Reporting Period, SINOSICO cumulatively sold 135.97 tons of zone-refined/straight-pulled electronic-grade polysilicon, 4,709.61 tons of silicon tetrachloride for optical communications, 968.16 tons of silicon-based electronic gases, and 17.98 tons of silicon carbide, generating revenue of RMB152,718,300, representing a year-on-year increase of 71.36%.

Section IV Report of Board of Directors, Management Discussion and Analysis

The Company's subsidiary, WISDRI Handan Wupeng Furnace Lining New Materials Co., Ltd., is a national high-tech enterprise with high-performance carbon materials as its leading products. The world-class high-quality carbon material base it has built strongly supports industries such as steel smelting, new energy, and nuclear power. Its self-developed blast furnace carbon brick products have achieved international-leading performance, maintaining the largest domestic market share for seven consecutive years, and are exported to Europe, Asia, and other countries. It has served over 1,200 blast furnaces worldwide.

(4) *High-end Equipment Business*

The Company's high-end equipment business mainly includes products such as steel structures, metal processing machinery, material handling equipment, metallurgical equipment, and construction equipment. It currently owns six national level manufacturing single champions and three provincial (municipal) level single champion enterprises. The core equipment business focuses on the manufacturing of products for eight major parts and 19 process units of metallurgical construction projects. The Company has multiple core manufacturing bases, and its products cover key equipment for major metallurgical processes such as sintering, pelletising, iron-making, steel-making, casting, and rolling. New building products primarily include steel structure products, steel structure derivative products, PC prefabricated products, and commercial concrete products. The Company has 20 steel structure manufacturing bases with a total building area of 1,125,000m² and a total design capacity of 1,757,000 tons. It has four subsidiaries with PC prefabricated manufacturing operations and three prefabricated building bases with a total design capacity of 485,000m³.

During the Reporting Period, the Company continued to focus on technological breakthroughs, researching and developing core technologies for smart manufacturing and green manufacturing, and actively creating new advantages in its core equipment business. Among them, the Company's subsidiary, WISDRI, in collaboration with partners, launched the GIC General Intelligent Controller, achieving a new breakthrough in autonomous and controllable technology in traditional industrial sectors. CISDI, leveraging the Chongqing Hub Port Industrial Park as an opportunity, accelerated the construction of heavy-duty electric assembly projects, significantly enhancing the productisation of autonomous core technologies and the ability to supply complete sets of equipment.

Section IV Report of Board of Directors, Management Discussion and Analysis

(5) 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 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. “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 Centre. 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 actively leverages its core technological advantages in metallurgical construction and mining restoration to explore markets in industrial wastewater resource utilisation, mining wastewater treatment, sludge disposal, environmental restoration, and other fields. It is cultivating supply chain integration capabilities and transplanting clean, low-carbon, safe, and efficient energy utilisation technologies from the steel industry to energy-intensive non-steel fields such as alumina, coal chemical industry, and central heating. The Company is also actively developing application scenarios such as “Photovoltaic+” and “Energy Storage+”. During the Reporting Period, the key projects won and signed by the Company are as follows:

No.	Name of Project (Contract)	Contractual Amount (RMB'00 million)
1	Ganzi Prefecture Jiulong County Forestry Circular Economy Demonstration Project	9.08
2	Hai'an 254.20 MWp Fish-solar Complementary Photovoltaic Project EPC General Contract	8.71
3	General Contracting Project of the Independent Shared Energy Storage Project of East Area of Sanmenxia Economic Development Zone	3.98
4	Annual Sludge Treatment Plant (Phase I) and Supporting Pipeline Network EPCO Project of South Area of Ma'anshan Economic Development Zone (Former Demonstration Park)	2.49
5	Anyue County 2025 High-standard Farmland Construction Project	1.32
6	General Contracting Contract of Phase I (100,000m³) Construction of the Hazardous Waste Comprehensive Disposal Project of Jinchuan Group	1.04

The operating revenues of each segment for the featured business of the Company and the proportion accounting for the total income of the featured business in the past three years are as follows:

Unit: RMB'000

Items of revenue	In the first half of 2025		In the first half of 2024		In the first half of 2023	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Mineral resources and new materials business	3,298,858	18.01	3,292,328	17.04	3,569,320	17.74
Engineering services business	1,448,930	7.91	1,644,074	8.51	1,494,262	7.43
High-end equipment business	6,678,451	36.47	6,932,448	35.88	7,232,125	35.94
Energy and environmental protection business	6,886,974	37.61	7,454,954	38.57	7,825,071	38.89

Section IV Report of Board of Directors, Management Discussion and Analysis

(III) Comprehensive Real Estate

1. Industry Overview

Since 2025, the government has intensively introduced a series of real estate promotion policies, injecting new momentum into the real estate industry from both supply and demand sides, with measures focusing on stabilising the market, cash flow, demand, land prices, and credit, enhancing quality, and promoting transformation, and striving to halt the decline and stabilise the real estate industry.

2. Operating Results of the Segment Business

Overall operating results of the comprehensive real estate business in the first half of 2025

Unit: RMB'000

	In the first half of 2025	% of the total	In the first half of 2024	Year-on-year increase/decrease
Segment operating revenue	4,796,848	2.00%	5,029,641	-4.63%
Gross margin (%)	6.11	—	6.76	Decreased by 0.65 percentage point

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

The Company's subsidiary, MCC Real Estate, holds two national Class I qualifications in real estate development and property management. In response to the trend and market changes, the Company has actively optimised its business strategy, focusing on expanding its light asset business for transformation. By fully utilising the series of national policies to promote the stabilisation of the real estate market, the Company has conducted in-depth analysis of major trend and structural changes in the real estate market, such as supply-demand relationships and urbanisation patterns. The Company has implemented multiple measures to accelerate inventory clearance, asset revitalisation, and the resolution of risk projects, while continuously enhancing risk control in real estate investments. It is striving to mitigate the adverse impacts of the real estate market downturn, while actively expanding its light asset business, improving service capacity, and steadily forming a new real estate business structure focusing on development agency services, commercial operations, and property management.

Explanation of New Important Non-core Business During the Reporting Period

☐ Applicable ☒ Not applicable

Section IV Report of Board of Directors, Management Discussion and Analysis

II. DISCUSSION AND ANALYSIS OF OPERATIONS

During the Reporting Period, in response to the downward pressure in the construction industry, the Company continued to focus on high-quality development, diligently promoting the transformation and upgrading of its business. Following the principles of "strengthening the core, optimising the main business, and expanding distinctive features", the Company carried out the transformation and upgrading of traditional industries around its core business, leveraging the comparative advantages of its metallurgical industrial chain both internally and externally. The Company actively cultivated strategic emerging industries, focused on creating differentiated advantages, and systematically promoted the construction of the "One Core, Two Main Bodies and Five Features" business system, as well as the steady implementation of the "Five-Five" strategy, striving to build a world-class investment and construction group.

- (I) Overall Stable Production and Operations, Strategic Deployment Proceeding in an Orderly Manner. In the first half of the year, the Company, under pressure, made significant progress, achieving a new signed contract amount of RMB548,202 million. With the goal of enhancing core functions and improving core competitiveness, the Company adjusted its structure, changed its approach, and expanded its market presence, leading to a continued increase in the proportion of metallurgical engineering, non-ferrous, and mining core businesses, and laying a solid foundation for its business structure adjustment. During the Reporting Period, the Company deeply explored overseas markets, expanding through benchmark projects, delivering high-quality performance, and strengthening localised management. This enabled the successful export of MCC's technologies, standards, and equipment to overseas, resulting in significant growth in overseas business. The newly signed contract amount for overseas projects reached RMB57.75 billion, representing a year-on-year increase of 32.6%.
- (II) Emphasis on Innovation-Driven, Effective Enhancement of the Role of Technological Innovation. The Company has fully improved its R&D platform, with the "National Key Laboratory for Steel Industry Environmental Protection" officially approved, becoming the only national key laboratory in the field of steel metallurgy environmental protection. The effectiveness of scientific and technological achievement transformation has significantly improved. The Company independently researched and developed thick plate casting technology, and the trial stage of thermal loads of the world's thickest 480mm steel billet casting project at Longteng Special Steel was successfully completed. The ultra-thin and ultra-wide high-end stainless steel furnace coil rolling mill which was designed and developed by the Company, have been successfully applied in China's first 3,500mm stainless steel wide plate short process project. In the non-ferrous and mining sectors, the domestically largest oxygen-enriched rotary kiln and intelligent mining core equipment technology developed by MCC have been successfully applied in the 2.5 million tons per year lead-zinc mine and 600,000 tons per year lead-zinc smelting project in Huoshaoyun, Xinjiang.

Section IV Report of Board of Directors, Management Discussion and Analysis

- (III) Steady Progress in Basic Management, Continuous Reform and Innovation Achievements. In the first half of the year, MCC steadily advanced the improvement of basic management across nine major business systems, continuously strengthening key areas such as financial management, cost management, business management, supplier management, and compliance management. Its systems and policies have become more sound, and the level of basic management has continued to improve. The application of the *Engineering Project Management Manual* was deepened, transforming specific requirements into practical management results and systematically enhancing the capability for quality performance. During the Reporting Period, the Company received nominations for five major scientific and technological achievements for the National Science and Technology Award, with 25 achievements awarded the Metallurgical Science and Technology Award. Nine of the Company's "Demonstration Enterprises of Science Reform" and "Dual Hundred" enterprises achieved excellent results in the annual special assessments, winning three benchmark, three excellent, and three good evaluations. These efforts continue to inject new vitality into the Company's high-quality transformation and development.

Significant changes in the operations of the Company, and matters occurring during the Reporting Period that have a significant impact on the operations of the Company and are expected to have a significant impact in the future

☐ Applicable ☒ Not applicable

III. ANALYSIS 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 June 2025, 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 specialised and sophisticated "little giant" enterprises. The Company has participated in the formulation of 80 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.

Section IV Report of Board of Directors, Management Discussion and Analysis

(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 50 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 its 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 its 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 characterised by “one core and multiple related businesses”, which has obvious advantages in improving the 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 long-span constructions, and super large complex and high-precision electromechanical system engineering. Additionally, the Company has established advanced technological advantages in specialised fields such as mineral resource and new materials, engineering services, high-end equipment, and energy and environmental protection business, forming a diversified business system characterised 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.

Section IV Report of Board of Directors, Management Discussion and Analysis

(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 characterised 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.

During the Reporting Period, there were no material changes in the core competitiveness of the Company.

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD

(I) Analysis on Major Operating Business

1. Analysis on the Changes in the Relevant Items in Financial Statements

Unit: RMB'000

Items	Amount for the current year	Amount for the prior year	Change in proportion (%)
Operating revenue	237,532,712	298,841,527	-20.52
Operating costs	213,563,935	271,800,189	-21.43
Selling expenses	1,304,083	1,386,378	-5.94
Administrative expenses	5,332,722	5,708,421	-6.58
Financial expenses	753,800	637,300	18.28
Research and development expenses	6,734,970	8,066,189	-16.50
Net cash flow generated from operating activities	(21,984,978)	(28,406,160)	N/A
Net cash flow generated from investing activities	(604,529)	(1,700,932)	N/A
Net cash flow generated from financing activities	24,740,292	31,704,769	-21.97

Explanation of changes in operating revenue: Mainly due to the sluggish growth in the construction industry and deep adjustments in the real estate industry, as well as the decrease in revenue from engineering contracting and other segments.

Explanation of changes in operating costs: Mainly due to the decrease in the cost of engineering contracting and other businesses in line with the decrease in operating revenue.

Explanation of changes in selling expenses: Mainly due to the decrease in the Company's selling expenses, such as sales and service fees and advertising fees during the Reporting Period.

Explanation of changes in administrative expenses: Mainly due to the decrease in the Company's personnel costs, travelling expenses and other administrative expenses during the Reporting Period.

Section IV Report of Board of Directors, Management Discussion and Analysis

Explanation of changes in financial expenses: Mainly due to the increase in interest-bearing liabilities and the year-on-year increase in interest expenses during the Reporting Period.

Explanation of changes in research and development expenses: Mainly due to the reduction in the Company's operating revenue scale and the decrease in the R&D investment activities during the Reporting Period.

Explanation of changes in net cash flow generated from operating activities: Mainly due to the Company's efforts to increase payment collection and vigorously reduce various costs and expenses, resulting in a year-on-year increase in net cash flow generated from operating activities.

Explanation of changes in net cash flow generated from investing activities: Mainly due to the increase in net cash received from the disposal and acquisition of subsidiaries during the Reporting Period.

Explanation of changes in net cash flow generated from financing activities: Mainly due to the decrease in net cash inflow from debt financing during the Reporting Period.

2. Analysis on revenue and costs

(1) Major business by segment and region

1) Major business by segment

Unit: RMB'000

Segments	Major Business by Segment			Increase or decrease in the operating revenue as compared to the corresponding period of last year (%)	Increase or decrease in the operating costs as compared to the corresponding period of last year (%)	Increase or decrease in the gross profit margin as compared to the corresponding period of last year (%)
	Operating revenue	Operating costs	Gross Margin (%)			
Engineering Contracting	216,914,903	196,125,642	9.58	-21.79	-22.72	Increased by 1.08 percentage points
Featured Business	18,313,213	15,086,175	17.62	-5.23	-6.36	Increased by 0.99 percentage point
Comprehensive Real Estate	4,796,848	4,503,794	6.11	-4.63	-3.96	Decreased by 0.65 percentage point

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

Section IV Report of Board of Directors, Management Discussion and Analysis

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 in the first half of 2025 and 2024 were 9.58% and 8.50%, respectively, with a year-on-year increase of 1.08 percentage points. The increase was mainly due to the Company accelerating the project settlement cycle and strictly controlling costs and expenditures, resulting in a significant increase in gross profit margins.

② Featured business

The Company's featured business mainly include mineral resources and new materials, engineering services, high-end equipment, and energy and environmental protection. In the first half of 2025 and 2024, the gross profit margins of the Company's featured business were 17.62% and 16.63%, respectively, with a year-on-year increase of 0.99 percentage point. The increase was mainly due to the dual impact of rising prices and volumes of metal mineral products such as crude copper and cost control, with the mineral resources business driving up the gross profit margin of the featured business segment.

③ Comprehensive real estate business

In the first half of 2025 and 2024, the overall gross profit margin of the Company's comprehensive real estate business was 6.11% and 6.76%, respectively, with a year-on-year decrease of 0.65 percentage point. The decrease was mainly due to continued pressure on the current real estate market, with the industry still undergoing cyclical adjustments and insufficient market demand, resulting in a decrease in gross profit margin.

2) Explanation on Major Business by Region

For details, please refer to the information contained in the Part 1 of Note XVI to Section IX "Financial Statements" of this report.

Section IV Report of Board of Directors, Management Discussion and Analysis

(2) Table of costs analysis

Unit: RMB'000

Segment	Costs component items	By Segment				Percentage change in the amount for the current period as compared to that for 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 cost (%)	
Engineering contracting	Operating costs	196,125,642	90.87	253,775,395	92.34	-22.72
Featured business	Operating costs	15,086,175	6.99	16,110,309	5.87	-6.36
Comprehensive real estate	Operating costs	4,503,794	2.09	4,689,521	1.71	-3.96

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

The major components of costs of construction projects of the Company were as follows:

Unit: RMB'000

Items of costs	In the first half of 2025		In the first half of 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Subcontracting expenses	114,126,294	58.19	142,782,795	56.26
Materials expenses	58,147,444	29.65	81,052,256	31.94
Labour costs	11,382,978	5.80	14,764,155	5.82
Machinery usage fees	3,214,788	1.64	4,418,024	1.74
Others	9,254,138	4.72	10,758,165	4.24
Total engineering cost	196,125,642	100.00	253,775,395	100.00

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

Section IV Report of Board of Directors, Management Discussion and Analysis

(3) Information on major customers and major suppliers

The sales of top five customers amounted to RMB18,816,048 thousand, accounting for 7.92% of the total sales during the Reporting Period; among them, related-party sales included in the sales of the top five customers amounted to RMB2,702,031 thousand, accounting for 1.14% of the total sales during the Reporting Period.

Unit: RMB'000

Customer's name	Operating revenue	Proportion of the total operating revenue (%)
Unit 1	8,753,530	3.68
Unit 2	3,832,761	1.61
Unit 3	2,702,031	1.14
Unit 4	1,795,880	0.76
Unit 5	1,731,846	0.73
Total	18,816,048	7.92

The procurement of the top five suppliers amounted to RMB5,979,146 thousand, accounting for 2.80% of the annual operating costs; among them, the procurement from related parties under the procurement of the top five suppliers amounted to RMB3,714,137 thousand, accounting for 1.74% of total annual procurement.

Unit: RMB'000

Supplier's name	Procurement for the current period	Proportion of the total operating costs (%)
Unit 1	3,714,137	1.74
Unit 2	586,688	0.27
Unit 3	581,978	0.27
Unit 4	551,525	0.26
Unit 5	544,818	0.26
Total	5,979,146	2.80

Section IV Report of Board of Directors, Management Discussion and Analysis

3. Analysis on expenses

(1) Selling expenses

The Company's selling expenses mainly include employees compensation costs, travelling expenses and sale services expenses. In the first half of 2025 and 2024, the Company's selling expenses were RMB1,304,083 thousand and RMB1,386,378 thousand, respectively, representing a year-on-year decrease of 5.94%, which was mainly attributable to the decrease in the Company's selling expenses, such as selling service fees and advertisement fees.

(2) Administrative expenses

The Company's administrative expenses mainly include employee compensation costs, depreciation expenses and domestic travelling expenses. In the first half of 2025 and 2024, the Company's administrative expenses were RMB5,332,722 thousand and RMB5,708,421 thousand, respectively, representing a year-on-year decrease of 6.58%, which was mainly attributable to the decrease in management expenses such as labour costs and travelling expenses.

(3) Financial expenses

The Company's financial expenses include costs of borrowing, exchange gains or losses, and bank charges incurred in the course of business. In the first half of 2025 and 2024, the Company's financial expenses were RMB753,800 thousand and RMB637,300 thousand, respectively, representing a year-on-year increase of 18.28%, which was mainly attributable to the increase in interest-bearing liabilities and the year-on-year increase in interest expenses during the Reporting Period.

(4) Research and development expenses

The Company's research and development expenses include personnel labour costs, direct input costs, depreciation expenses and equipment commissioning expenses and experimentation expenses. In the first half of 2025 and 2024, the Company's research and development expenses were RMB6,734,970 thousand and RMB8,066,189 thousand respectively, representing a year-on-year decrease of 16.50%, which was mainly attributable to the decrease in R&D inputs in the current year.

4. Research and development expenditure

Unit: RMB'000

Research and development expenditure for the current period	6,734,970
Capitalized research and development expenditure for the current period	1,387
Total research and development expenditure	6,736,357
Proportion of total research and development expenditure to operating revenue (%)	2.84
Proportion of capitalized research and development expenditure (%)	—

Section IV Report of Board of Directors, Management Discussion and Analysis

5. Cash flows

The cash flows of the Company are as follows:

Unit: RMB'000

Items	In the first half of 2025	In the first half of 2024
Net cash flow generated from operating activities	(21,984,978)	(28,406,160)
Net cash flow generated from investing activities	(604,529)	(1,700,932)
Net cash flow generated from financing activities	24,740,292	31,704,769

(1) Operating activities

In the first half of 2025 and 2024, the Company's net cash flow generated from operating activities amounted to RMB-21,984,978 thousand and RMB-28,406,160 thousand, respectively. In the first half of 2025 and 2024, the cash inflows generated from operating activities was mainly came from the cash received from the sale of goods and the rendering of services, accounting for 96.58% and 96.96%, respectively with respect to the cash inflow generated from operating activities. The Company's cash outflows generated from operating activities was mainly consisted of cash payments for goods purchased and services received, cash payments to and on behalf of employees and payments of various types of taxes. In the first half of 2025 and 2024, such cash outflow accounted for 86.64%, 6.12%, 3.25% and 86.26%, 6.53%, 2.69%, respectively with respect to the cash outflow generated from operating activities.

(2) Investing activities

In the first half of 2025 and 2024, the Company's net cash flow generated from investing activities amounted to RMB-604,529 thousand and RMB-1,700,932 thousand. The cash inflows generated from investing activities of the Company mainly came from net cash receipts from acquisition of subsidiaries, disposal of assets and cash receipts from recovery of investments which accounted for 42.11%, 6.75% and 0.00%, 82.68% of the cash inflow generated from investing activities in the first half of 2025 and 2024, respectively. The Company's cash outflows mainly included cash payments to acquire or construct fixed assets, intangible assets and other long-term assets and cash payments to acquire investments, as well as cash paid for investment. In the first half of 2025 and 2024, such cash outflow accounted for 35.82%, 62.65% and 56.69%, 34.94%, respectively with respect to the cash outflow generated from investing activities.

(3) Financing activities

In the first half of 2025 and 2024, the Company's net cash flow generated from financing activities amounted to RMB24,740,292 thousand and RMB31,704,769 thousand, respectively. The Company's cash inflow from financing activities mainly consisted of cash receipts from borrowings which accounted for 86.21% and 97.50% respectively of the cash inflow generated from financing activities for the first half of 2025 and 2024. The Company's cash outflow from financing activities mainly consisted of cash repayments of borrowings and cash payments for distribution of dividends, profits or settlement of interest expenses. In the first half of 2025 and 2024, such cash outflow accounted for 79.07%, 2.91% and 94.73%, 2.29%, respectively with respect to the cash outflow generated from financing activities.

Section IV Report of Board of Directors, Management Discussion and Analysis

6. Detailed Statement of the Major Changes in the Company's Business Types, Profits Structure or Profits Sources for the Current Period

☐ Applicable ☒ Not applicable

(II) Explanation of Significant Profit Changes Due to Non-core Business

☐ Applicable ☒ Not applicable

(III) Analysis on Assets and Liabilities

1. Status of Assets and Liabilities

Unit: RMB'000

Items	Amount at the end of the current period	Percentage of total assets/total liabilities at the end of the current period (%)	Amount at the end of the period of previous year	Percentage of total assets/total liabilities at the end of the period of previous year (%)	Proportion change in the amount at the end of the current period as compared to that at the end of the period of previous year (%)
Current assets	643,198,629	75.02	599,767,170	74.23	7.24
Cash and bank balances	53,057,489	6.19	52,558,851	6.50	0.95
Accounts receivable	224,490,464	26.18	213,513,725	26.42	5.14
Inventories	72,117,954	8.41	75,593,134	9.36	-4.60
Contract assets	194,169,274	22.65	156,291,569	19.34	24.24
Non-current assets	214,207,410	24.98	208,248,585	25.77	2.86
Intangible assets	34,041,752	3.97	33,639,591	4.16	1.20
Total assets	857,406,039	100.00	808,015,755	100.00	6.11
Current liabilities	617,712,484	91.27	573,629,900	91.68	7.68
Short-term borrowings	59,345,497	8.77	33,853,836	5.41	75.30
Bills payable	28,781,079	4.25	30,147,409	4.82	-4.53
Accounts payable	357,445,588	52.81	335,085,043	53.56	6.67
Contract liabilities	57,522,429	8.50	61,190,649	9.78	-5.99
Non-current liabilities	59,094,104	8.73	52,049,989	8.32	13.53
Long-term borrowings	45,879,836	6.78	40,311,531	6.44	13.81
Total liabilities	676,806,588	100.00	625,679,889	100.00	8.17

Section IV Report of Board of Directors, Management Discussion and Analysis

(1) Analysis on the structure of assets

Cash and bank balances

As at 30 June 2025 and 31 December 2024, the balances of cash and bank balances of the Company were RMB53,057,489 thousand and RMB52,558,851 thousand, respectively, representing an increase of 0.95% as compared with the beginning of the year.

As at 30 June 2025 and 31 December 2024, the restricted cash and bank balances of the Company were RMB7,710,508 thousand and RMB9,368,247 thousand, respectively, which accounted for 14.53% and 17.82% 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 30 June 2025 and 31 December 2024, the carrying value of the Company's accounts receivable were RMB224,490,464 thousand and RMB213,513,725 thousand, respectively, representing an increase of 5.14% as compared with the beginning of the year, which was mainly due to an increase in accounts receivable related to engineering contracting services.

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 estate in which the Company was engaged.

As at 30 June 2025 and 31 December 2024, the Company's net inventories were RMB72,117,954 thousand and RMB75,593,134 thousand, respectively, representing a decrease of 4.60% as compared with 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 30 June 2025 and 31 December 2024, the net contract assets of the Company amounted to RMB194,169,274 thousand and RMB156,291,569 thousand, respectively, representing an increase of 24.24% as compared with the beginning of the year, which was mainly due to an increase in contract assets related to engineering contracting services.

Intangible assets

As at 30 June 2025 and 31 December 2024, the aggregated carrying value of the Company's intangible assets were RMB34,041,752 thousand and RMB33,639,591 thousand, respectively, representing an increase of 1.20% as compared with 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..

Section IV 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 30 June 2025 and 31 December 2024, the carrying value of the Company's short-term borrowings were RMB59,345,497 thousand and RMB33,853,836 thousand, respectively, representing an increase of 75.30% as compared with the beginning of the year. As at 30 June 2025 and 31 December 2024, the carrying value of the Company's long-term borrowings were RMB45,879,836 thousand and RMB40,311,531 thousand, respectively, representing an increase of 13.81% as compared with the beginning of the year.

During the Reporting Period, the short-term borrowings and long-term borrowings repaid by the Company amounted to RMB74,562,574 thousand and RMB8,854,619 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 RMB55,715,480 thousand and RMB20,697,974 thousand, respectively.

Accounts payable

Accounts payable mainly consisted of material costs payable to suppliers and engineering costs payable to subcontractors by the Company. As at 30 June 2025 and 31 December 2024, the Company's carrying value of accounts payable were RMB357,445,588 thousand and RMB335,085,043 thousand, respectively, representing an increase of 6.67% as compared with the beginning of the year.

Contract liabilities

Contract liabilities mainly consisted of contract liabilities related to engineering contracting services and sales contracts. As at 30 June 2025 and 31 December 2024, the Company's carrying value of contract liabilities amounted to RMB57,522,429 thousand and RMB61,190,649 thousand, respectively, representing a decrease of 5.99% as compared with the beginning of the year.

2. Overseas Assets

(1) Asset Size

Of which: Overseas assets were 36,236,800 (Unit: RMB'000), accounting for 4.23% of 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, please refer to Note VII 24 to Section IX "Financial Statements" of this report.

Section IV Report of Board of Directors, Management Discussion and Analysis

(IV) Analysis on the Operational Information in the Construction Industry

1. Information on Projects Completed and Accepted during the Reporting Period

Unit: RMB'000

Sub-segment	Housing construction	Infrastructure construction	Metallurgical engineering	Others	Total
Number of projects (Unit)	3,607	1,195	2,192	153	7,147
Total amount	12,479,116	4,144,946	7,202,459	522,186	24,348,707

Unit: RMB'000

Project location	Number of projects (Unit)	Total amount
Domestic	6,998	23,843,655
Overseas	149	505,052
Including:		
Asia	117	455,019
Africa	13	664
South America	11	42,323
Europe	6	6,444
Oceania	2	602
North America	0	0
Total	7,147	24,348,707

Section IV Report of Board of Directors, Management Discussion and Analysis

2. Information on Projects under Construction during the Reporting Period

Unit: RMB'000

Sub-segment	Housing construction	Infrastructure construction	Metallurgical engineering	Others	Total
Number of projects (Unit)	4,423	2,271	3,565	461	10,720
Total amount	101,913,695	40,221,462	37,062,906	4,963,614	184,161,677

Unit: RMB'000

Project location	Number of projects (Unit)	Total amount
Domestic	10,324	174,413,884
Overseas	396	9,747,793
Including:		
Asia	341	8,828,485
Africa	17	413,327
South America	7	93,681
Europe	27	185,394
Oceania	2	215,049
North America	2	11,857
Total	10,720	184,161,677

3. Information on Major Projects under Construction

☐ Applicable ☒ Not applicable

4. Relevant Information on Financing Arrangements of the Company

During the Reporting Period, the balance of debt financing and financing by other equity instruments of the Company amounted to RMB180,421 million, representing an increase of 18.01% as compared to the beginning of the period, which satisfied the capital needs for enterprise development and industrial structure adjustment. In particular, the balances of debt financing and financing by other equity instruments amounted to RMB128,821 million and RMB51,600 million, respectively, which contributed to the further optimisation of financing structure. The balances of financing due within one year and the long-term financing balance amounted to RMB76,950 million and RMB103,471 million, respectively.

Section IV Report of Board of Directors, Management Discussion and Analysis

(V) Investment Analysis

1. Overall Analysis on External Equity Investments

As at 30 June 2025 and 31 December 2024, the net assets of the Company's trading financial assets were RMB2,622 thousand and RMB2,770 thousand, respectively, representing a decrease of 5.3% compared to the beginning of the year. As at 30 June 2025 and 31 December 2024, the net long-term equity investments of the Company were RMB41,026,151 thousand and RMB38,078,760 thousand, respectively, representing an increase of 7.7% compared to the beginning of the year. As at 30 June 2025 and 31 December 2024, the net investment in other equity instruments of the Company amounted to RMB1,728,852 thousand and RMB1,698,287 thousand, respectively, representing an increase of 1.8% as compared to the beginning of the year. As at 30 June 2025 and 31 December 2024, the Company's other net investment in non-current financial assets amounted to RMB4,720,626 thousand and RMB4,875,569 thousand, respectively, representing a decrease of 3.2% as compared with the beginning of the year.

(1) Significant Equity Investments

☐ Applicable ☒ Not applicable

(2) Significant Non-equity Investments

☐ Applicable ☒ Not applicable

Section IV Report of Board of Directors, Management Discussion and Analysis

(3) Financial Assets Measured at Fair Value

Securities 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	Investment profit or loss 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	241	-28	-	-	-	-	213	Financial assets held for trading
Shares	600787	CMST Development Corp (中儲股份)	499	734	-60	-	-	-	-	674	Financial assets held for trading
Shares	000539	GED (粵電力A)	24	29	-	-	-	-	-	29	Financial assets held for trading
Shares	600515	Hainan Airport (海南機場)	264	325	-20	-	-	-	-	305	Financial assets held for trading
Shares	600221	Hainan Airlines Holding (海航控股)	206	181	-41	-	-	-	-	140	Financial assets held for trading
Shares	000709	Hesteel (河鋼股份)	4,600	4,192	-	-95	-	-	-	4,097	Investments in other equity instruments
Shares	601328	Bank of Communications (交通銀行)	89,134	323,251	-	9,755	-	-	14,394	333,006	Investments in other equity instruments
Shares	000939	Kaidi Ecological (凱迪生態)	2,502	-	-	-	-	-	-	-	Investments in other equity instruments
Shares	000005	Fountain (世紀星源)	420	78	-	-26	-	-	-	52	Investments in other equity instruments
Shares	600665	Tande (天地源)	1,122	496	-	35	-	-	-	531	Investments in other equity instruments
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	170,080	69,529	-	-8,208	-	-	-	61,321	Investments in other equity instruments
Shares	000737	North Copper (北方銅業)	38,798	52,177	-	20,469	-	-	-	72,646	Investments in other equity instruments

Explanation of securities investments

☐ Applicable ☒ Not applicable

Private fund investments

☐ Applicable ☒ Not applicable

Section IV Report of Board of Directors, Management Discussion and Analysis

Derivative investments

(1) Derivative Investments for Hedging Purposes during the Reporting Period

On 29 April 2025, the 72th meeting of the third session of the Board of the Company reviewed and passed the Proposal on the 2025 Foreign Exchange Hedging Business Plan of Metallurgical Corporation of China, agreeing to the 2025 foreign exchange hedging business plan of Metallurgical Corporation of China and its subsidiaries, and agreeing that the foreign exchange hedging business in 2025 was carried out with a quota of no more than USD4,109 million (including the equivalent amount in foreign currency), which is valid for 12 months from the date of consideration and approval by the Board (for details, please refer to the relevant announcement disclosed by the Company on 29 April 2025). The Company's foreign exchange hedging business in the first half of 2025 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 Company strictly follows the principle of hedging to carry out foreign exchange forward and currency swap business. The scale of foreign exchange hedging is determined based on the actual demand for foreign exchange business, and the gains and losses of foreign exchange hedging transactions are hedged against the corresponding changes in asset value.
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>(I) 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.

Section IV Report of Board of Directors, Management Discussion and Analysis

-
3. Performance 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.

(II) Risk Control Measures

1. For market risk, 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, analyse and assess the possible risks and take prompt countermeasures.
-

Section IV Report of Board of Directors, Management Discussion and Analysis

2. For liquidity risk, 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 performance risk, 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 internal control risk, 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 authorised 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.
-

Section IV Report of Board of Directors, Management Discussion and Analysis

5. For compliance risk, 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 RMB against the USD during the Reporting Period.

Involvement in litigation (if applicable)

Not Applicable

Date of disclosure of the announcement of the Board for approval of derivative investment (if any)

29 April 2025

Date of disclosure of the announcement of the general meeting for approval of derivative investment (if any)

Not Applicable

Section IV Report of Board of Directors, Management Discussion and Analysis

(2) Derivative Investments for Speculative Purposes 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

Main subsidiaries and associates that have an impact of 10% or more on the Company's net profit

Unit: RMB'000

Company name	Company type	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
China MCC 5 Group Co., Ltd	Subsidiary	Engineering contracting, etc	5,327,799	94,737,123	18,464,521	33,221,907	1,073,580	886,476
Shanghai Baoye Group Co., Ltd	Subsidiary	Engineering contracting, etc	5,777,850	87,429,125	15,477,169	26,349,387	558,186	472,847
China MCC 22 Group Co., Ltd.	Subsidiary	Engineering contracting, etc	3,393,281	43,916,292	7,915,786	16,742,617	557,413	439,037
China MCC 17 Group Co., Ltd.	Subsidiary	Engineering contracting, etc	2,050,000	61,116,332	10,647,284	15,250,744	472,045	425,717
China Metallurgical Construction Engineering Group Co., Ltd.	Subsidiary	Engineering contracting, etc	2,449,054	38,159,752	8,340,282	12,110,928	479,217	405,929
China First Metallurgical Group Co., Ltd.	Subsidiary	Engineering contracting, etc	2,417,727	56,719,561	9,481,698	16,274,971	472,666	399,878
WISDRI Engineering & Research Incorporation Limited	Subsidiary	Design, scientific research, EPC, etc.	3,350,000	28,056,203	10,588,609	12,015,411	450,723	399,208
MCC Capital Engineering & Research Incorporation Limited	Subsidiary	Design, scientific research, EPC, etc.	3,283,104	27,911,652	5,791,086	7,801,988	310,930	279,507
China MCC 19 Group Corp. Ltd.	Subsidiary	Engineering contracting, etc.	3,910,999	35,118,480	7,016,431	7,552,189	285,236	262,115
MCC Ecological Environmental Protection Group Co., Ltd.	Subsidiary	Water resource management, etc.	3,000,000	7,388,156	4,369,015	735,732	288,237	237,326
CISDI Group Co., Ltd.	Subsidiary	Design, scientific research, EPC, etc.	2,300,000	22,673,640	6,518,069	8,314,391	376,465	235,300
MCC-JJJ Mining Development Company Limited	Subsidiary	Resource development, etc.	3,095,703	6,946,025	3,600,522	1,351,326	226,876	226,918
MCC TianGong Group Corporation Limited	Subsidiary	Engineering contracting, etc.	2,050,000	40,047,087	5,466,502	15,019,591	192,248	165,226
China Second Metallurgical Group Corporation Limited	Subsidiary	Engineering contracting, etc.	2,304,961	37,971,243	3,923,817	7,515,998	188,517	162,718
China Non-ferrous Engineering Co., Ltd.	Subsidiary	Design, scientific research, EPC, etc.	2,346,730	12,671,857	4,821,260	4,641,908	204,376	156,862
MCC Tongsin Resources Limited	Subsidiary	Resource development, etc.	3,488,131	6,536,433	5,041,455	1,333,311	149,619	146,227
Zhongye Changtian International Engineering Co., Ltd.	Subsidiary	Design, scientific research, EPC, etc.	677,301	6,798,309	3,029,837	3,050,700	136,732	115,438
MCC Communication Construction Group Co., Ltd	Subsidiary	Engineering contracting, etc.	9,312,258	36,560,707	8,998,549	3,851,781	103,753	111,908
WSGRI Engineering & Surveying Incorporation Limited	Subsidiary	Investigation, design, etc.	1,000,000	4,827,458	1,395,368	2,060,819	120,090	105,288
China Huaye Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	1,821,652	18,375,583	3,701,753	5,915,460	229,927	94,142

Section IV Report of Board of Directors, Management Discussion and Analysis

The acquisition and disposal of subsidiaries during the Reporting Period.

☐ Applicable ☒ Not applicable

(VIII) Structured Entities Controlled by the Company

For details, please refer to Note IX 3 to Section IX "Financial Statements" of this report.

(V) OTHER DISCLOSURE EVENTS

(I) Possible Risks and Measures Adopted by the Company

1. *Risks Associated with Macro-economy*

In the first half of 2025, the international environment underwent profound changes, with increased trade barriers and many uncertainties. The foundation for the domestic economic recovery remains to be further strengthened. However, due to a stable economic foundation, numerous advantages, strong resilience, and great potential, the supporting conditions and fundamental trend for long-term improvement have not changed. Under the strong leadership of the CPC Central Committee, since 2025, various regions and departments have intensified the implementation of more proactive and effective macro policies, focusing on stabilising employment, businesses, markets, and expectations, expanding domestic demand, promoting the integration of technological innovation and industrial innovation, and effectively responding to external changes. The overall economic operation has remained stable, with a continued trend of high-quality development, demonstrating the strong resilience and vitality of China's economy. Special local government bonds, ultra-long-term special government bonds, and other instruments have been accelerated in issuance and use. The deployment and implementation of major projects such as "Large-scale equipment upgrades and consumer goods trade-in programs", "Implement major national strategies and enhance security capacity in key areas", "Industrial transformation and structural adjustment", and "Dual transformation" have brought significant opportunities to the construction industry.

The Company has always adhered to the general principle of seeking progress while maintaining stability, fully and accurately implemented the new development philosophy, anchored the Goals for "one building, two most, five strong", and focused on the business system of "One Core, Two Main Bodies and Five Features". It closely tracks and deeply analyses macroeconomic policies and industry development trends, prudently evaluates and actively responds to internal and external risks, and adjusts its business strategies in a timely manner, using the certainty of high-quality development to address the uncertainty arising from the drastic changes in the external environment.

2. *Risks Associated with the Traditional Metallurgical Engineering Business Segment*

Currently, the restructuring of the iron and steel industry and the optimisation and upgrade of the industry will continue and deepen. High-end metallurgical technology and equipment upgrading, green and low-carbon transformation, digital transformation, and intelligent upgrading are the main theme of development of domestic iron and steel industry, and will bring a range of market opportunities for quality efficiency adjustments and upgrades. From an international perspective, the division of labour, cooperation, and mutual benefit remain long-term trends, and overseas markets will become an important driver for the growth of the Company's metallurgical engineering business segment in the future.

Section IV Report of Board of Directors, Management Discussion and Analysis

In the face of the prevailing complex market environment, the Company established a foothold in the domestic market, promote domestic and overseas mutual circulation, aiming to become the best overall solution provider of metallurgical construction and operation with super core competitiveness, pay continuous attention to the market risk brought about by destocking in the iron and steel industry, prevent and control the cost risks caused by the fluctuation of raw material prices and rising labour costs, continuously consolidate the position as the world's first-class metallurgical construction national team, and continuously improve its core competitiveness and brand influence in the global iron and steel engineering technology.

3. *Risks Associated with the Non-metallurgical Engineering Business Segment*

Currently, China's construction industry has shifted from high-speed growth to moderate and low-speed growth, transitioning from incremental competition to stock competition, with the industry entering a period of deep adjustment. According to data from the China Construction Industry Association, the average profit margin in the construction industry in 2024 was only 2.3%, remaining below 3% for the third consecutive year, with the profit margin continuing to decline. In 2025, the Ministry of Housing and Urban-Rural Development of the PRC introduced new qualification regulations, significantly raising the industry's entry barriers. The market competition pattern of "Involution, differentiation, and saturation" in the industry is rapidly evolving, placing higher demands on the core competitiveness of enterprises. At the same time, due to the downturn in the real estate industry, government land transfer revenues have significantly declined, weakening the infrastructure investment capacity of local governments. With adjustments in national policies and the stabilisation of the urbanisation process, there has been a structural shift in the direction of funding. The proportion of "new infrastructure" in special bonds has increased, and large-scale infrastructure investment has slowed. However, the infrastructure sector remains a pillar for stable economic growth in China, with new infrastructure, new energy, and green investments gradually replacing traditional infrastructure. The "15th Five-Year Plan" emphasises a shift from "expansionary construction" to "intensive renewal" with fiscal investment focused on the renovation of old residential areas and public service facilities.

In response to market changes, the Company continued to integrate into the national development framework, actively optimise its business structure, accelerate transformation and upgrading, integrate resource advantages, and explore innovative business models. The focus was on enhancing the market marketing, performance, and resource allocation capabilities of the three-tiered organisations, improving risk resilience, and strategically positioning in emerging industries such as building integrated photovoltaic (BIPV), hydrogen energy infrastructure, low-carbon green building, urban renewal and new urbanisation, and comprehensive watershed land management. The aim is to identify and expand new growth areas, gather new advantages, and work towards establishing the Company as the most trusted general contracting service provider in basic construction, both internationally renowned and domestically leading, achieving sustainable high-quality development.

Section IV Report of Board of Directors, Management Discussion and Analysis

4. *Risks Associated with the Real Estate Development Business Segment*

During the Reporting Period, the government introduced a series of favourable policies for the real estate industry. On 28 February 2025, the Meeting of the Political Bureau of the Central Committee of the CPC stated that it will adhere to the general principle of seeking progress while maintaining stability, fully and accurately implement the new development philosophy, accelerate the construction of a new development pattern, promote high-quality development, stabilise the real estate and stock markets, prevent and resolve risks in key areas and external shocks, and drive the sustained recovery of the economy. On 5 March, the *Government Work Report* issued at the NPC and CPPCC sessions for the first time proposed “promoting the construction of safe, comfortable, green, and smart ‘Superior Housing’” and included “stabilising the real estate and stock markets” in the overall requirements. On 7 May, the People’s Bank of China and the National Financial Regulatory Administration issued monetary policies to lower interest rates and reserve requirements, creating favorable conditions for further optimization of real estate policies and the stable, healthy development of the market. On 15 May, the General Office of the CPC Central Committee and the State Council issued the Opinions on Continuously Promoting Urban Renewal Action, requiring a shift in urban development and construction methods, the establishment of sustainable urban renewal models and policies and regulations, and the vigorous implementation of urban renewal initiatives. Although the intensified policies are expected to drive the restoration of expectations, the real estate industry is still undergoing an adjustment phase, and the market recovery faces numerous challenges. The market is still in the bottoming phase, with the main risks in the real estate market being the contraction of investment by property developers, pressure on funds, and high existing inventory.

In order to actively adapt to the requirements of the situation and market changes, the Company firmly implemented the “de-stock and control addition” management requirements to ensure the quality of funds and the delivery baseline, while actively expanding light asset businesses for transformation. First, resolving existing projects is the top priority for the real estate business. The Company adopts multiple measures to accelerate inventory clearance, activate assets, and eliminate risk projects. It continues to strengthen the control of real estate investment risks, promotes the reduction of real estate inventory, and strives to overcome the adverse impacts of the real estate market downturn, ensuring cash flow security. Second, the Company fully leverages its industry chain integration advantages to serve its core responsibilities, actively plans business collaboration, and expands light asset businesses such as agency construction, commercial operations, and property management. It optimised the business structure, cultivated value-added services, and focused on cost reduction through careful budgeting, aiming to improve efficiency through management. The Company is committed to the path of quality-driven development that prioritizes efficiency and maintains moderate scale, aiming to become a modern industrial and urban service provider with industry competitiveness.

Section IV Report of Board of Directors, Management Discussion and Analysis

5. Risks Associated with Financial Segment

Globally, the Federal Reserve System of the United State is approaching a rate-cutting cycle, but the high-interest-rate environment is unlikely to change in the short term. Coupled with ongoing geopolitical risks, the momentum for global economic growth has further weakened, and the strength of economic recovery is limited. Cooperation and competition coexist among nations. China's traditional industries are in urgent need of transformation and upgrading, while the new economy is still in the process of development. The economy faces both cyclical and structural challenges. The recovery of China's economy is still in a critical stage. However, the strong economic resilience, full potential, and long-term positive fundamentals remain unchanged. With strengthened fiscal policies and the expansion of infrastructure projects under the "Belt and Road" initiative, there are both market opportunities and risks.

To mitigate financial risks, MCC closely monitors policy trends and market changes, deepens cooperation with banks, expands financing channels, optimises the financing structure, and enhances its ability to respond to risks. The Company further strengthens overall operations and improves the efficiency and effectiveness of fund utilisation. It adhered to the neutral management concept of exchange rate risk, coordinated our control over foreign exchange risk exposures, strictly followed the principle of hedging, prudently carried out foreign exchange hedging business, and proactively prevented and resolved exchange rate volatility risks.

6. Risks Associated with Bulk Commodity Prices

The bulk commodity market prices, such as engineering raw materials and metal mineral resources, which are relevant to the Company's business, are affected by changes in the international and domestic macro-economic environment and market demand, which may be subject to varying degrees of volatility, which may in turn affect the Company's costs of production and operation, revenue and profit etc.

The Company enhanced its research and forecast on the changing trend and policies in response to bulk commodity market prices, and adjusted its procurement and sales strategies. At the same time, it increased its efforts to investigate and locate mines, created positive conditions for research and promote the construction and expansion of new mines, increased reserves output, enhanced process and equipment management by optimising production management, encouraged scientific research and innovation, implemented technology reforms, thus shrinking unit consumption and reducing energy consumption, and adopted all possible measures to reduce various costs such as production and operation for further cost reduction and efficiency improvement.

7. Risks Associated with International Operation

Currently, the global geopolitical landscape is undergoing deep adjustments and reshaping, with insufficient economic growth momentum and increasing divergence. The uncertainty surrounding external environments and policy changes has grown. The Company operates in multiple countries and regions and faces risks such as escalating multidimensional competition, rising geopolitical risks, stricter compliance supervision, frequent negative public opinion, and severe security situations in certain regions. These risks may lead to increased difficulty in signing overseas projects, reduced profits, and challenges in ongoing projects, including construction delays, cost overruns, difficulties in fund recovery, and increased operational risks in mining projects, which may in turn impact the Company's revenue and profits from its overseas business.

Section IV Report of Board of Directors, Management Discussion and Analysis

To address the above risks, the Company strengthens the top-level design of its overseas business, taking measures including but not limited to improving the overseas business management system, building a personnel support system for overseas operations, and promoting the localisation of overseas institutions. At the same time, the Company enhances its overseas business risk management, providing risk response guidance for external risks such as overseas personnel safety, compliance management, and public opinion. The Company also summarises its international operational experience and lessons learned in market expansion and project implementation, aiming to reduce international business risks by securing projects with favourable contract terms and strengthening dynamic supervision of ongoing projects.

8. Environmental and Safety Production Risks

Comprehensively strengthening ecological and environmental protection and adhering to green, low-carbon, and circular development have become key national strategies. Enterprises must attach great importance to ecological civilisation and environmental protection. The Company is engaged in a number of industries, including engineering contracting, real estate development, and resource development. Numerous subsidiaries and respective projects result in higher standard of requirements on ecological and environmental protection management. As a construction and production enterprise, safety production risks exist in all aspects of the Company's production and operation activities, which may lead to production safety accidents due to unsafe human behaviour, unsafe material conditions, unsafe environmental factors and reasons from management, etc., which damage the health of employees, cause certain economic losses to the enterprise and even affect the reputation of the enterprise.

In order to deal with the above environmental and safety production risks, the Company continued to actively put into practice the green development ideology that "Lucid Waters and Lush Mountains are Invaluable Assets", persisted in the requirements of the relevant national laws and regulations of energy conservation and environmental protection, strictly implement accountability system on enterprise bodies, continuously improved the energy conservation and environmental protection system, enhance daily supervision, and proactively initiated environmental pollution control. Also, the Company further improved safety awareness by constantly perfecting the safety management system, continuously improving the inspection quality under a shift-based leadership system, cementing the safety production responsibility, intensifying the inspection and governance of hidden dangers, carrying out training and education of production safety, reinforcing safety control of subcontract team, strictly investigated the accident responsibility, and resolutely curbed the occurrence of major and above production safety accidents.

9. Data Fraud and Theft Risk

In order to guard state secrets, protect commercial secrets, and protect the national and enterprises' safety, the Company has formulated a set of relatively comprehensive rules and regulations on confidentiality. The Company adopts various promotional and educational measures regularly in order to raise the awareness of information confidentiality of the employees. The Company randomly assesses the information confidentiality of its subsidiaries every year, conducts interviews, investigates and reviews systems, recorded documents and conducts on-site investigations. We carried out a comprehensive inspection on the operation of the confidentiality management system and rectify the situation within a period of time. The Company has deployed domestically-made confidential computers and regularly updates the protection system. Dedicated personnel are assigned to manage them, strictly adhering to the principle of "no confidential information on the internet, and no internet access for confidential systems". The Company is committed to preventing the transmission, storage, or processing of confidential information on the internet.

During the Reporting Period, the Company was not involved in any data fraud and theft cases.

Section IV Report of Board of Directors, Management Discussion and Analysis

10. Cyber Risk and Security

In order to effectively prevent and control cyber and information security protection risks, and strengthen security protection capabilities, the Company has established a comprehensive safety protection system in accordance with the related national network security laws and regulations as well as system, and continuously promoted the optimisation and upgrade of the enterprise's application systems and information technology infrastructure. The Company regularly carries out verification and tuning of security monitoring and protection policies, conducts vulnerability scanning for various information systems and server hosts, rectifies and strengthens the identified problems in a timely manner, and conducts retesting to ensure the security and stability of the data usage environment. The Company has attached great importance to the construction of network outlet security protection capacity and deployed network security equipment such as firewalls, IDSs and IPSs to defend against external network attacks to make sure the Company's network and data security is fully protected.

(II) Implementation of the Special Action Plan of “Quality, Efficiency and Returns Enhancement”

The Company actively responded to the SSE's *Initiative on Carrying out the Special Action Plan of “Quality, Efficiency and Returns Enhancement” for Companies Listed on the Shanghai Stock Exchange*, and in July 2024, formulated and released the Action Plan of “Quality, Efficiency and Returns Enhancement”, taking concrete actions to fulfil its responsibility for high-quality development and enhancing its own investment value. During the Reporting Period, the Company anchored the Goals for “one building, two most, five strong”, following the basic approach of “Strengthening the core, optimising the main business, and expanding distinctive features”. It continuously optimised its business structure of “One Core, Two main Bodies, Five Features” and fully promoted the Company's further transformation and upgrading. In the first half of the year, the Company secured new contracts worth RMB548,202 million, with its core businesses of metallurgical engineering, non-ferrous and mining engineering accounting for an increasing share. Overseas operations registered substantial growth, demonstrating significant results in business restructuring. The Company adhered to strategic guidance, fully utilised its technology innovation platform, aimed at cultivating and developing new productive forces, and accelerated the development of core technologies in fields such as low-carbon smelting, extreme energy efficiency, and intelligent manufacturing. It focused on cultivating key technologies in areas such as bridges and tunnels, prefabricated buildings, and construction robots, striving to build technological advantages in core equipment, new materials, and energy and environmental protection, supporting the Company's further transformation and upgrading with technological innovation. The Company adhered to a stable and continuous cash dividend policy, actively sharing development achievements with shareholders. During the Reporting Period, the Company completed a 2024 annual cash dividend of RMB1.161 billion, accounting for 17.20% of the net profit attributable to the shareholders of the listed company in the 2024 consolidated financial statements. The Company continued to strengthen communication with investors across multiple platforms and channels, including the Company's official website, new media platforms, phone calls, emails, general meetings, performance briefings, roadshows, reverse roadshows, and other specialised investor activities. Through these, the Company engaged in extensive and in-depth communication with investors, continuously enhancing their understanding and value recognition of the Company, and driving the reasonable reflection of the Company's investment value in its quality.

(III) Purchase, Sale or Redemption of the Company's Securities

During the Reporting Period, except as disclosed in the section below titled “CORPORATE BONDS”, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities (including sale of treasury shares). As of the end of the Reporting Period, the Company did not hold any treasury shares.

Section V Corporate Governance and Corporate Governance Report, Environmental and Social Responsibility

I. CORPORATE GOVERNANCE AND GOVERNANCE OF THE COMPANY

During the Reporting Period, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, resolutely implemented the major principle of “two-sphere consistency” and continuously promoted the integration of strengthening the Party's overall leadership with improving corporate governance. The Company also continued to strictly follow the relevant laws and regulations, including the *Company Law*, *Securities Law*, and the regulations of securities regulatory authorities, while further strengthening the governance system and standard operations of the Company and its subsidiaries. As an important part of the corporate governance structure, the Board, 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 favourable foundation for promoting company development and improving shareholder value.

On 12 March 2025, Mr. Zhou Jichang, the Independent Non-executive Director of the Company, resigned from his position as Independent Non-executive Director and from the relevant committees, as he had served as the position for six consecutive years. After Mr. Zhou Jichang's resignation, the members of the Company's third session of the Board up to the end of the Reporting Period were: Chairman and executive Director Mr. Chen Jianguang, executive Director and vice president Mr. Bai Xiaohu, non-executive Director Mr. Lang Jia, Independent Non-executive Directors Mr. Liu Li, Mr. Ng, Kar Ling Johnny, and Ms. Zhou Guoping, and Employee Representative Director Mr. Yan Aizhong.

Each general meeting, Board meeting, and meeting of the Supervisory Committee is convened in accordance with the relevant requirements of the *Company Law* and the *Articles of Association*. During the Reporting Period, the Company convened 1 general meeting, 6 Board meetings, 9 meetings of Special Committees of the Board, and 2 meetings of Supervisory Committee in total.

The Company has adopted the *Model Code* as the code governing the dealings in the Company's securities by the Directors and Supervisors. Having made specific enquiries with all the Directors and Supervisors, the Company is of the view that all Directors and Supervisors fully complied with the *Model Code* and requirements set out thereof during the six months ended 30 June 2025.

During the Reporting Period, save for code provision B.2.2 of the *Corporate Governance Code*, the Company strictly adhered to the principles and provisions outlined in the *Corporate Governance Code* before the amendments to the *Corporate Governance Code* (the “**New CG Code**”) came into effect on 1 July 2025 and, where applicable, adopted the recommended best practices. In accordance with the code provision B.2.2 of the *Corporate Governance Code*, each director shall retire by rotation at least once every three years. The term of the third session of the Board has exceeded three years. In accordance with the Articles of Association, members of the third session of the Board shall continue to perform duties until the establishment of the fourth session of the Board. The Company will continue to review and monitor its corporate governance practice to ensure compliance with the latest measures and standards set out in the New CG Code.

Section V Corporate Governance and Corporate Governance Report, Environmental and Social Responsibility

II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY DURING THE REPORTING PERIOD

Name	Position	Change
Zhou Jichang	Independent Non-executive Director	Resigned
Yin Sisong	Chairman of the Supervisory Committee	Resigned
Zhang Yandi	Supervisor	Resigned
Chu Zhiqi	Employee representative Supervisor	Resigned
Qu Yang	Vice president	Resigned
Wang Zhen	Board secretary, joint company secretary, authorized representative	Resigned
Xiao Peng	Vice president	Appointed
Chang Qi	Deputy chief economist, board secretary, joint company secretary, authorized representative	Appointed

Explanation on changes of Directors Supervisors and senior management of the Company

On 26 January 2025, the Board received a written resignation report from Mr. Qu Yang, the Vice President of the Company. Mr. Qu resigned from his position of vice president of the Company due to job changes, and the resignation report became effective from the date it was delivered to the Board (for details, please refer to the relevant announcement disclosed by the Company on 4 February 2025).

On 12 March 2025, the Board received a written resignation report from Mr. Zhou Jichang, the Independent Non-executive Director of the Company. Mr. Zhou Jichang had served as the Independent Non-executive Director for six consecutive years. In accordance with the *Administrative Measures for Independent Directors of Listed Companies* and the Company's *Articles of Association*, he resigned from his position as the Independent Non-executive Director and related special committee roles (for details, please refer to the relevant announcement disclosed by the Company on 12 March 2025).

On 16 April 2025, the Board received a written resignation report from Mr. Wang Zhen, the Board Secretary. Due to job changes, Mr. Wang Zhen resigned from his positions as the Board Secretary, Joint Company Secretary, and Authorized Representative of the Company. The resignation became effective from the date the resignation report was delivered to the Board. On the same day, the Company held the 71st meeting of the third session of the Board, appointing Mr. Xiao Peng as the Vice President and Mr. Chang Qi as the Board Secretary, Joint Company Secretary, and Authorized Representative of the Company. The term of office will start from the date of approval at the 71st meeting of the third session of the Board until the appointment of new senior management by the next Board (for details, please refer to the relevant announcement disclosed by the Company on 16 April 2025).

On 30 June 2025, the Company's 2024 annual general meeting approved the proposal to amend the *Articles of Association*. The Company will no longer have a Supervisory Committee. Mr. Yin Sisong, Ms. Zhang Yandi, and Mr. Chu Zhiqi will no longer serve as Supervisors of the Company.

On 11 August 2025, the Company held the 75th meeting of the third session of the Board and agreed to appoint Mr. Dong Su as the vice president and chief accountant (chief financial officer) of the Company, with his term commencing from the date of approval by the Board until the date when the new senior management is appointed by the next session of the Board (for details, please refer to the relevant announcement disclosed by the Company on 11 August 2025).

Section V Corporate Governance and Corporate Governance Report, Environmental and Social Responsibility

III. PROPOSALS FOR PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE

Proposals for profit distribution and transfer of capital reserve to share capital for the first half of the year

Any distribution or transfer

No

IV. 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

Other incentives measures

The Company encourages its subsidiaries to implement long-term incentive programs for key scientific and technological personnel based on their respective circumstances. During the Reporting Period, the Company's subsidiary, CISDI (Chongqing) Information Technology Co., Ltd., continued to promote employee shareholding-related work in accordance with laws and regulations.

V. REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee has reviewed the unaudited interim results of the Company for the six months ended 30 June 2025. The committee was of the opinion that the unaudited interim results for the six months ended 30 June 2025 had been in compliance with the applicable accounting principles as well as laws and regulations, and proper disclosures had been made.

Section V Corporate Governance and Corporate Governance Report, Environmental and Social Responsibility

VI. ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES REQUIRED TO DISCLOSE ENVIRONMENTAL INFORMATION ACCORDING TO THE LAW

Number of enterprises included in the list of enterprises required to disclose environmental information according to the law (Unit)

47

No.	Company name	Index for querying environmental information disclosure reports according to the law
1	China Silicon Corporation Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=914103077474342885001L
2	Ganzhou Nankang District ENFI Environmental Energy Co., Ltd.	http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/pilouxiangqing?id=de3fa86d49644ddfa7b88ab00f377d55
3	Gu'an ENFI Environmental Energy Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpld=337A6EB5-24C7-4970-84B6-BC65D9A40DEE&year=2024
4	Xiangyang ENFI Environmental Energy Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=7f03fc6a-89ea-41e5-8199-e58647244648&XH=1677751359150009244672&year=2024
5	ENFI Urban Solid Waste (Xiaogan) Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=aebd34c1-d78e-444d-938a-53e06282ea39&XH=1677750602128009244672&year=2024
6	Ganzhou ENFI Environmental Energy Co., Ltd.	http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/pilouxiangqing?id=2750bfd128ad48afb6feba23681b20c7
7	CISDI Equipment Co., Ltd.	http://183.66.66.47:10001/eps/index/enterprise-more?code=91500116787457556K&uniqueCode=6ebbb00527c4c1df&date=2024&type=true&isSearch=true
8	MCC-SFRE Heavy Industry Equipment Co., Ltd.	http://113.140.66.227:11077/#/noLogin/qymd?key=%E4%B8%AD%E5%86%B6%E9%99%95%E5%8E%8B
9	WISDRI Handan Wupeng Furnace Lining New Material Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpld=6A291F56-1B22-4475-A7B4-39A42D3E9287&year=2025&reportId=b4e4a40e-a240-473f-a484-76521af5ac18&isWeb=%E5%90%A6
10	MCC Group (Chengdu) Steel Structure Technology Co., Ltd.	https://103.203.219.138:8082/eps/index/enterprise-more?code=91510185MA65YPMQ92&uniqueCode=f6c0ae10ab7fad5f&date=2024&type=true&isSearch=true
11	China MCC 19 Group Corp. Ltd.	https://103.203.219.138:8082/eps/index/enterprise-more?code=91510400204350723Y&uniqueCode=0a7b20e158a48284&date=2024&type=true&isSearch=true
12	MCC (Shanghai) Steel Structure Technology Corp., Ltd.	https://e2.sthj.sh.gov.cn/xhyf/system/hjpl/lsgIndex.jsp
13	Laian MCC Huatian Water Affairs Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html#/companyDetails?name=%E6%9D%A5%E5%A%E8%9%E5%8E%BF%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&entpld=20241711680775634&type=1
14	Laian MCC Huatian Water Affairs Co., Ltd. (Chahe Sewage Treatment Plant)	https://39.145.37.16:8081/zhhb/yfplpub_html#/companyDetails?name=%E6%9D%A5%E5%A%E8%9%E5%8E%BF%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%28%E6%B1%8A%E5%B2%B3%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%29&entpld=20241711680181166&type=1
15	Tianchang MCC Water Affairs Co., Ltd. (Yangcun Town Sewage Treatment Plant in Tianchang City)	https://39.145.37.16:8081/zhhb/yfplpub_html#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%28%E5%A4%A9%E9%95%BF%E5%B8%82%E6%9D%A8%E6%9D%91%E9%95%87%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpld=20241711964200425&type=1
16	Tianchang MCC Water Affairs Co., Ltd. (Tianchang Economic Development Zone Wastewater Treatment Plant)	https://39.145.37.16:8081/zhhb/yfplpub_html#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E5%A4%A9%E9%95%BF%E5%B8%82%E7%BB%8F%E6%B5%8E%E5%BC%80%E5%8F%91%E5%8C%BA%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpld=20241711964235093&type=1

Section V Corporate Governance and Corporate Governance Report, Environmental and Social Responsibility

No.	Company name	Index for querying environmental information disclosure reports according to the law
17	Tianchang MCC Water Affairs Co., Ltd. (Tianchang Wastewater Treatment)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E5%A4%A9%E9%95%BF%E5%B8%82%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpid=20241711964218653&type=1
18	Tianchang MCC Water Affairs Co., Ltd. (Tongcheng Town Sewage Treatment Plant in Tianchang City)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%28%E5%A4%A9%E9%95%BF%E5%B8%82%E9%93%9C%E5%9F%8E%E9%95%87%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpid=20241711964247497&type=1
19	Tianchang MCC Water Affairs Co., Ltd. (Qinlan Town Sewage Treatment Plant in Tianchang City)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E5%A4%A9%E9%95%BF%E5%B8%82%E7%A7%A6%E6%A0%8F%E9%95%87%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpid=20241711964160897&type=1
20	Chuzhou MCC Huatian Water Affairs Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%BB%81%E5%B7%9E%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&entpid=20241711679785011&type=1
21	Ma'anshan MCC Water Service Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E9%A9%AC%E9%9E%8D%E5%B1%B1%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&entpid=20241705910722002&type=1
22	Dingyuan MCC Water Affairs Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%AE%9A%E8%B7%9C%E5%8E%BF%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&entpid=20241712018845802&type=1
23	Qinhuangdao Funing MCC Water Service Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpid=A8B1F7CD-221A-4B5C-BD26-D7F37573CD61&year=2024
24	MCC Qinhuangdao Water Affairs Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpid=38EC06FA-EE07-410F-9124-CC2A40D1CB87&year=2024
25	Xinglong MCC Water Affairs Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpid=7E85DDAF-6051-43DA-AB51-E87668412659&year=2024&reportId=d028a929-3bb6-46d6-9613-60569af67c60
26	Shouguang MCC Water Affairs Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370783797337187J
27	Shouguang Chengbei MCC Water Affairs Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=9137078369314062XQ
28	Fuzhou Changle District MCC Water Affairs Co., Ltd.	http://220.160.52.213:10053/idp-province/#/enterprise-detail?publishdataId=1ada9c66345b11ef87dc0cda411d9af8&auditYear=2024&enterId=7bf539b6288b11ef87dc0cda411d9af8&enterName=%E7%A6%8F%E5%B7%9E%E5%B8%82%E9%95%BF%E4%B9%90%E5%8C%BA%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&fileId=92f2a6a437c14fe3b0bf57071721836b&reportType=%E5%B9%B4%E6%8A%A5&entryId=0
29	Baoxie Wastewater Treatment Plant of MCC Wuhan Water Affairs Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriselInfo?XTXH=e3bd3374-55df-4c06-87be-197fe493e159&XH=1677832883597009895936&year=2024
30	Zuoling Wastewater Treatment Plant of MCC Wuhan Water Affairs Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriselInfo?XTXH=d0303187-8627-4531-9df4-f15452992412&XH=1677832879700009895936&year=2024
31	MCC Water Affairs (Macheng) Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriselInfo?XTXH=099b00cc-a308-491c-84d3-de931e8a80b7&XH=1677750064918009244672&year=2024
32	MCC Water Affairs (Zhuxi) Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriselInfo?XTXH=c094f202-eb4d-4aaa-9e6b-35d5fb17ddaa&XH=1677750508150009244672&year=2024
33	Huangshi MCC Water Affairs Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriselInfo?XTXH=b0302333-0f30-41e2-8b08-b565b6680927&XH=1682677515160029335552&year=2024
34	Beijing Zhongshe Water Treatment Co., Ltd.	https://hjxxpl.bevoice.com.cn:8002/home

Section V Corporate Governance and Corporate Governance Report, Environmental and Social Responsibility

No.	Company name	Index for querying environmental information disclosure reports according to the law
35	Lanzhou Zhongtuo Water Service Co., Ltd.	https://zwfw.sthj.gansu.gov.cn/revealPubVue/#/discloseDetail?name=%E5%85%B0%E5%B7%9E%E4%B8%AD%E6%8A%95%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&pkId=71B26D717479476480AABE3B7FD54E18&xpId=XXPL12025022410212291620100681545590R&plx=1
36	Changzhou ENFI Water Affairs Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
37	Xiaogan Zhongshe Water Service Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?TXH=fc602c0a-30e3-4ffa-bad0-54e7ab4f83e6&XH=1677750565854009244672&year=2024
38	No.1 Wastewater Treatment Plant of Sewage Branch of Wenxian Zhongtuo Water Service Co., Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410825MA40GH3X7A002Q
39	No.2 Wastewater Treatment Plant of Sewage Branch of Wenxian Zhongtuo Water Service Co., Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410825MA40GH3X7A001V
40	Wuzhi Zhongshe Water Affairs Co., Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410823MA47R8800W001V
41	Pingyuan Zhongshe Water Affairs Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?id=91371426MA3RED9G75&comDetailFrom=0
42	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (West Plant)	http://121.29.48.71:8080/#/fill/detail?enpld=C7FA0CA4-9AA0-45CD-8CAB-1603D92975FE&year=2024&reportId=c35f05ac-9fab-4d84-a176-cce076604414
43	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (East Plant)	http://121.29.48.71:8080/#/fill/detail?enpld=C7FA0CA4-9AA0-45CD-8CAB-1603D92975FE&year=2024&reportId=c35f05ac-9fab-4d84-a176-cce076604414
44	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (Development Zone Plant)	http://121.29.48.71:8080/#/fill/detail?enpld=8F0140D2-2792-4B75-8836-356F92AE0250&year=2024&reportId=3330d5f9-51f6-4f19-a93e-49053111a73
45	Zhuozhou Zhongshe Water Treatment Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpld=26B18B2D-1F69-4039-A70B-433AF9BD2AE5&year=2024&reportId=02143fdb-50ba-4836-9421-172904a797a2
46	No.2 Wastewater Treatment Plant of MCC Huatian (Laian) Water Environment Investment Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E5%8D%8E%E5%A4%A9%E6%B0%B4%E7%8E%AF%E5%A2%83%E6%8A%95%E8%B5%84%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%E7%BC%88%E7%AC%AC%E4%BA%8C%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%E7%BC%89&entpld=20241711680675116&type=1
47	Laian Chemical Industry Park Wastewater Treatment Plant of MCC Huatian (Laian) Water Environment Investment Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E5%8D%8E%E5%A4%A9%E6%B0%B4%E7%8E%AF%E5%A2%83%E6%8A%95%E8%B5%84%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%20EF%BC%88%E6%9D%A5%E5%AE%89%E5%8E%BF%E5%8C%96%E5%B7%A5%E5%9B%AD%E5%8C%BA%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%E7%BC%89&entpld=20241711935699868&type=1

Section V Corporate Governance and Corporate Governance Report, Environmental and Social Responsibility

VII. DETAILS ON THE EFFORTS TO CONSOLIDATE AND EXPAND POVERTY ALLEVIATION ACHIEVEMENTS, RURAL REVITALISATION, AND RELATED WORK

In the first half of 2025, the Company deeply studied and implemented General Secretary Xi Jinping's important instructions on rural revitalisation. Focusing on the actual needs of the supported counties, the Company adopted consumption-based and industry-based assistance as core measures. The Company actively coordinated with the designated county officials, making full use of traditional holidays and union activities to closely integrate employee welfare and consolation measures with consumption assistance, effectively addressing the practical difficulties encountered by supported counties, driving local economic development, increasing residents' income, and contributing to rural revitalisation, while fulfilling the social responsibilities of a state-owned enterprise.

(I) Allocation of Assistance Funds

In the first half of 2025, the Company undertook a total of RMB17.905 million in targeted assistance and counterpart support for free aid. Of this, RMB6.5 million was allocated to Dejiang County in Guizhou Province for 2 industrial revitalisation projects, 1 cultural revitalisation project, and 1 talent revitalisation project; RMB4.97 million was allocated to Yanhe County in Guizhou Province for 6 industrial revitalisation projects and 1 cultural revitalisation project; RMB3.13 million was allocated to Zhenxiong County in Yunnan Province for 3 industrial revitalisation projects, 2 ecological revitalisation projects, and 5 cultural revitalisation projects; and RMB3.305 million was allocated to Panzhihua Technician College to carry out the "Mining Heart" vocational education plan. Specifically, 53 students from the 2023 cohort and 93 students from the 2024 cohort were funded, with plans to recruit 90 new students for the 2025 cohort across 6 counties.

(II) Deployment of Cadres and Research Activities

In May 2025, the Company dispatched a new batch of cadres to perform their duties in the designated poverty alleviation counties, ensuring that there were no gaps in talent support and that personnel handovers were seamless. In accordance with relevant requirements from higher authorities, the Company conducted research on targeted poverty alleviation work in Yanhe County, Guizhou Province, visited the designated county officials, and completed the assessment of cadres who had completed their assignments.

(III) Consumption Assistance

The Company has extensively mobilised trade unions at all levels to actively participate in consumption assistance. In the first half of 2025, the Company directly purchased agricultural products from 7 designated poverty alleviation counties amounting to RMB4.68 million, purchased agricultural products from other poverty-stricken areas (832 national poverty-stricken counties outside of the 7 designated poverty alleviation counties) totalling RMB2.42 million, helped sell agricultural products from the 7 designated poverty alleviation counties amounting to RMB430,000, and helped sell agricultural products from other poverty-stricken areas for RMB360,000.

(IV) Innovations in Assistance Work

CISDI, a subsidiary of the Company, has tailored its support to the agricultural development of the designated poverty alleviation counties. Based on local conditions, it has planned support industries and broadened sales channels, establishing a full industrial chain cluster for "local specialties" of the poverty alleviation counties, covering research and development, production, processing, storage and transportation, sales, branding, experience, and services. The Company, in collaboration with the e-commerce platform JD.com, created an online sales matrix, exploring a new model for sustainable rural industrial revitalisation in poverty-stricken areas, continuously opening up key channels for agricultural products to move from villages to cities, and helping efficiently connect high-quality agricultural products to a broader market.

Section V Corporate Governance and Corporate Governance Report, Environmental and Social Responsibility

1. Dual-engine drive for income growth, and targeted support for revitalisation: On one hand, besides continuing to provide comprehensive technical support and resource guarantees throughout the lifecycle for the Heishui “Peach and Pear Joy” Agricultural Demonstration Park project in Yanhe County, CISDI also promoted sustainable development by improving cold chain logistics and expanding sales channels to secure sales orders for peaches and pears in Heishui. On the other hand, closely following the industrial development plan adjustments of Yanhe County, the Company has focused on supporting the sand hollow plum industry with local speciality, helping this geographical indication agricultural product achieve industrial upgrading through order assistance and market promotion measures.
2. With both online and offline efforts, consumption assistance achieves results: The Company actively responded to the SASAC’s “Central Enterprises Consumption Assistance Agricultural Week” initiative and innovated its assistance model. During the 2025 Spring Festival, the Company organised and participated in a series of special events such as “Central Enterprises Assistance Week” and “Central Enterprises Join Forces Action in Jishou” creating a platform for the exhibition and sale of specialty agricultural products through a combination of online and offline approaches. During the event, the total sales of supported agricultural products exceeded RMB3 million. While continuing to support the original 7 designated poverty alleviation counties, in the first half of 2025, the Company also began to connect with Hotan District in Xinjiang, Nanjian County and Mabei County in Sichuan, and Xiushan County in Chongqing. Currently, a special section for high-quality agricultural products from Mabei County has been opened on the “Yi Nong Yuan Xuan” e-commerce platform, featuring 18 specialty products. At the same time, over ten agricultural products from Nanjian County are also online, with special promotional activities organised to inject continuous momentum into rural revitalisation.

Section VI Significant Events

I. PERFORMANCE OF UNDERTAKINGS

(I) 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	Commitment type	Undertaking party	Commitment content	Date of undertaking	Whether there is a time limit for performance	Commitment period	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
Commitment made in the acquisition report or equity change report	Maintain the independence of the listed company	China Minmetals	China Minmetals will ensure the independence of personnel, assets, finances, institutions, and operations of MCC. 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 be liable to MCC for all losses.	17 February 2016, 13 December 2024	No	Valid during the period when China Minmetals has control over or can exert significant influence on the Company	Yes	-	-
	Avoid horizontal competition	China Minmetals	<p>1. 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 circumstances 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 minimize the business overlap between the two parties.</p> <p>2. Upon the completion of the acquisition, China Minmetals and 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.</p>	17 February 2016, 13 December 2024	No	Valid during the period when China Minmetals has control over or can exert significant influence on the Company	Yes	-	-

Section VI Significant Events

Background of undertaking	Commitment type	Undertaking party	Commitment content	Date of undertaking	Whether there is a time limit for performance	Commitment period	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>3. 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 have the priority to 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 divest the abovementioned competing businesses at its discretion.</p> <p>4. 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.</p> <p>5. China Minmetals undertook that it will strictly comply with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, 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 prejudice the lawful interests of MCC or other shareholders.</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 be liable to MCC for all losses.</p>						

Section VI Significant Events

Background of undertaking	Commitment type	Undertaking party	Commitment content	Date of undertaking	Whether there is a time limit for performance	Commitment period	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
	Reduce and regulate connected party transactions	China Minmetals	<p>1. China Minmetals will fully respect the independent legal status of MCC and ensure its independent operation and autonomous decision-making.</p> <p>2. China Minmetals guarantees that it and other companies or economic organisations it controls or actually controls (excluding those controlled by MCC, hereinafter referred to as "China Minmetals related enterprises") will avoid or reduce connected party transactions with MCC in the future.</p> <p>3. If MCC inevitably or reasonably conducts connected party transactions with China Minmetals and China Minmetals related enterprises in its future business activities, China Minmetals will ensure that these transactions strictly comply with relevant national laws and regulations, the MCC's Articles of Association, and relevant provisions of the CSRC, and that agreements are signed with MCC in accordance with the law. Timely information disclosure will be made as required by law. These transactions will be conducted under normal commercial terms, with fair pricing, and will not harm the legal interests of MCC and other shareholders through connected party transactions.</p> <p>4. China Minmetals and its related enterprises will strictly and in good faith perform all related agreements signed with MCC. China Minmetals and its related enterprises will not seek any benefits or profits beyond what is specified in these agreements from MCC.</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 be liable to MCC for all losses.</p>	17 February 2016, 13 December 2024	No	Valid during the period when China Minmetals has control over or can exert significant influence on the Company	Yes	–	–

Section VI Significant Events

Background of undertaking	Commitment type	Undertaking party	Commitment content	Date of undertaking	Whether there is a time limit for performance	Commitment period	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, the Second Tranche 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 needs 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	From the date of bill issuance to the redemption date	Yes	–	–
Undertakings in relation to non-financial corporate debt financing instruments	Others	MCC	The funds raised from the 2023 Tenth Tranche to Thirteenth 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 needs 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	From the date of bill issuance to the redemption date	Yes	–	–

Section VI Significant Events

Background of undertaking	Commitment type	Undertaking party	Commitment content	Date of undertaking	Whether there is a time limit for performance	Commitment period	If not performed		
							Whether it is strictly performed in a timely manner	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 2024 First Tranche to the 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 needs 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	From the date of bill issuance to the redemption date	Yes	–	–
Undertakings in relation to non-financial corporate debt financing instruments	Others	MCC	The funds raised from the 2025 First Tranche to Tenth 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 needs 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, 23 April 2025, 27 April 2025, 22 May 2025, 26 May 2025, 9 June 2025.	Yes	From the date of bill issuance to the redemption date	Yes	–	–

Section VI Significant Events

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. AUDITING OF INTERIM REPORT

The interim financial statement of the Company for the first half of 2025 has been reviewed by Deloitte Touche Tohmatsu Certified Public Accountants LLP, but has not been audited.

(I) Appointment and Dismissal of the Certified Public Accountants

Explanation of the appointment and dismissal of the certified public accountants

In accordance with the relevant provisions of SASAC on the financial audit of central enterprises and the Company's arrangements for the bidding of auditors, the appointment was approved by the Company's 73rd meeting of the third session of the Board and ratified by the 2024 annual general meeting. Deloitte Touche Tohmatsu Certified Public Accountants LLP was appointed as the audit firm for the Company's 2025 financial report audit, semi-annual financial report review audit, and internal control audit, and the Board was authorised to determine its audit fee.

Explanation of the reappointment of the certified public accountants during the audit period

☐ Applicable ☒ Not Applicable

(II) Explanation of the Company's "Non-standard Opinion Audit Report" from the Certified Public Accountants

☐ Applicable ☒ Not Applicable

V. CHANGES AND RESOLUTIONS OF MATTERS IN RELATION TO NON-STANDARD AUDIT OPINION FOR THE ANNUAL REPORT OF LAST YEAR

☐ Applicable ☒ Not Applicable

VI. EVENTS IN RELATION TO BANKRUPTCY AND REORGANISATION

☐ Applicable ☒ Not Applicable

Section VI Significant Events

VII. MATERIAL LITIGATION AND ARBITRATION

☐ The Company had material litigation and arbitration during the Reporting Period

☒ The Company had no material litigation and arbitration during the Reporting Period

VIII. 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

IX. 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 have any court ruling in effect that was yet to be enforced or any overdue liability with a relatively significant outstanding amount and was not otherwise involved in any other similar circumstances.

X. MATERIAL CONNECTED PARTY TRANSACTIONS

(I) Connected Party Transactions in Relation to Daily Operation

1. *Events Disclosed in Interim Announcements without Further Development or Change in Subsequent Implementation*

Event overview

Query index

On 28 March 2025, the Company's 70th meeting of the third session of the Board reviewed and approved the Proposal on Setting the Annual Limit for 2026 Routine Connected Party Transactions/ Continuing Related Party Transactions, agreeing to the projected annual upper limit for the routine connected transactions and signing the relevant agreements. On 30 June 2025, the above resolution was considered and approved at the 2024 annual general meeting.

For details, please refer to the relevant announcements published by the Company on 28 March 2025 and 30 June 2025, respectively.

2. *Events Disclosed in Interim Announcements and with Further Development or Change in Subsequent Implementation*

☐ Applicable ☒ Not Applicable

Section VI Significant Events

3. Events not Disclosed in the Interim Announcement

Unit: RMB'000

Party to connected transaction	Connected relationship	Type of connected transaction	Description of connected transaction	Pricing principle of connected transaction	Annual caps for 2025	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)	Controlling Shareholder	Sales of commodities	Purchase and sales of materials - income	Agreed price	6,300,000	-	1,809,110	17.97	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling Shareholder	Purchase of commodities	Purchase and sales of materials - expense	Agreed price	23,200,000	-	3,300,894	5.19	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Provision of services	Engineering construction - income	Agreed price	11,800,000	-	1,488,877	0.71	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Acceptance of services	Engineering construction - expense	Agreed price	2,400,000	-	323,330	0.28	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Provision of services	Technology and management services - income	Agreed price	2,000,000	-	54,255	0.62	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Acceptance of services	Technology and management services-expense	Agreed price	2,700,000	-	89,914	11.49	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Other inflow	Property leasing - income	Leasing contract	200,000	-	9,453	6.53	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Other outflow	Property leasing - expense	Leasing contract	600,000	-	40,846	5.49	-	-	-
CMC Finance Co., Ltd.	Subsidiaries of shareholders	Comprehensive credit	Daily maximum balance of provision of comprehensive credit granting to the Company and its subsidiaries by CMC Finance Co., Ltd. ^{Note (1)}	Agreed price	30,000,000	-	12,106,149	-	-	-	-
CMC Finance Co., Ltd.	Subsidiaries of shareholders	Deposits	Daily deposits balance by the Company and its subsidiaries with CMC Finance Co., Ltd. ^{Note (2)}	Agreed price	15,000,000	-	13,520,883	-	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Interest expenses	Industrial and financial services - financing costs - financial assistance	Agreed price	1,000,000	-	4,865	0.17	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Expenditures	Industrial and financial services - bond underwriting	Agreed price	330,000	-	325	0.01	-	-	-
Total				/	95,530,000	/	32,748,901	/	/	/	/

Section VI Significant Events

Party to connected transaction	Connected relationship	Type of connected transaction	Description of connected transaction	Pricing principle of connected transaction	Annual caps for 2025	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
Details of return of sold goods in large quantities					Not Applicable						
Description of connected transaction					Not Applicable						

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.

(II) Connected Party Transaction in Relation to Acquisition of Assets or Acquisition or Disposal of Equity Interests

1. Events Disclosed in Interim Announcements without Further Development or Change in Subsequent Implementation

☐ Applicable ☒ Not Applicable

2. Events Disclosed in Interim Announcements and with Further Development or Change in Subsequent Implementation

☐ Applicable ☒ Not Applicable

3. Events not Disclosed in Interim Announcements

☐ Applicable ☒ Not Applicable

Business results during the Reporting Periods shall be disclosed as agreed involving the results

☐ Applicable ☒ Not Applicable

Section VI Significant Events

(III) Material Connected Party Transactions in Relation to Joint Investment in External Parties

1. *Events Disclosed in Interim Announcements without Further Development or Change in Subsequent Implementation*

☐ Applicable ☒ Not Applicable

2. *Events Disclosed in Interim Announcements and with Further Development or Change in Subsequent Implementation*

☐ Applicable ☒ Not Applicable

3. *Events not Disclosed in Interim Announcements*

☐ Applicable ☒ Not Applicable

(IV) Related Party Receivables and Payables

1. *Events Disclosed in Interim Announcements without Further Development or Change in Subsequent Implementation*

☐ Applicable ☒ Not Applicable

2. *Events Disclosed in Interim Announcements and with Further Development or Change in Subsequent Implementation*

☐ Applicable ☒ Not Applicable

3. *Events not Disclosed in Interim Announcements*

☐ Applicable ☒ Not Applicable

Section VI 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

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

Unit: RMB

Related party	Connected relationship	Maximum limit of daily deposit	Interest rate range of deposits	Balance at the beginning of the period	Amount for the current period		Balance at the end of the current period
					Total deposits for the current period	Total withdrawal amount for the current period	
Minmetals Finance Company	Under common control of China Minmetals	15,000,000,000	0.35%-1.15%	8,337,127,561.87	686,220,858,183.47	690,110,977,079.22	4,447,008,666.12
Total	/	15,000,000,000	0.35%-1.15%	8,337,127,561.87	686,220,858,183.47	690,110,977,079.22	4,447,008,666.12

2. Loan Business

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

Unit: RMB

Related party	Connected relationship	Loan facility	Interest rate range of loans	Balance at the beginning of the period	Amount for the current period		Balance at the end of the current period
					Total loans for the current period	Total repayment for the current period	
Minmetals Finance Company	Under common control of China Minmetals	13,000,000,000	2.11%	7,600,000,000	6,510,000,000	6,900,000,000	7,210,000,000
Total	/	13,000,000,000	2.11%	7,600,000,000	6,510,000,000	6,900,000,000	7,210,000,000

Section VI Significant Events

3. Credit Granting 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 its member units are as follows:

Unit: RMB

Related party	Connected relationship	Business types	Total	Actual amount incurred
Minmetals Finance Company	Under common control of China Minmetals	Credit Granting	30,000,000,000	7,210,000,000

4. Other Descriptions

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	Connected relationship	Business types	Total	Actual amount incurred
Minmetals Finance Company	Under common control of China Minmetals	Service fees	35,000,000	0

(VI) Other Material Connected Party Transactions

☐ Applicable ☒ Not Applicable

(VII) Others

☐ Applicable ☒ Not Applicable

Section VI Significant Events

XI. MATERIAL CONTRACTS AND THE PERFORMANCE THEREOF

(I) Trusteeship, Contracting, and Leasing

☐ Applicable ☒ Not Applicable

(II) Major Guarantees Performed and Outstanding during the Reporting Period

Unit: RMB

External guarantees provided by the Company (excluding guarantees to subsidiaries)														
Guarantor	Relationship between the guarantor and the listed company	Guarantee	Guarantee amount	Date of guarantee occurrence (date of agreement signing)	Guarantee start date	Guarantee expiry date	Type of guarantee	Principal debt	Collateral	Whether execution of guarantee has been completed	Overdue	Whether guarantee is provided to related parties	Related	Relationship
MCC Real Estate	Wholly-owned subsidiary	Zhuohai Hengqin Headquarter Building Development Co., Ltd.	472,244,399.96	2023-9-4	2023-9-5	2027-9-5	Joint liability guarantee	Normal	Nil	No	No	0 Nil	No	Nil
MCC20	Holding subsidiary	Zhuohai Hengqin Headquarter Building Development Co., Ltd.	304,673,806.43	2023-9-4	2023-9-5	2027-9-5	Joint liability guarantee	Normal	Nil	No	No	0 Nil	No	Nil

Section VI Significant Events

Total amount of guarantees incurred during the Reporting Period (excluding guarantees to subsidiaries)	-5,100,000.00
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)	776,918,206.39

Guarantees provided by the Company to their subsidiaries

Total amount of guarantees provided to its subsidiaries during the Reporting Period	10,672,134,612.75
Total balance of guarantees provided to its subsidiaries as at the end of the Reporting Period (B)	17,936,607,328.14

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

Total guarantee amount (A+B)	18,713,525,534.53
Total amount of guarantees as a percentage in the net assets of the Company (%)	12.38
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)	17,005,983,328.14
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)	17,005,983,328.14
Explanation on the potential joint repaying liability arising from outstanding guarantees	Nil

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 totalling RMB4,830 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.

(III) Other Material Contracts

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

Section VI Significant Events

XII. EXPLANATION ON PROCESS IN USE OF PROCEEDS

(I) Overall use of Proceeds

Unit: RMB0'000

Source of proceeds	Proceeds availability	Total proceeds	Net amount of proceeds ⁽¹⁾	Total promised investment amounts out of proceeds in the prospectuses ⁽²⁾	Total amount of over-raised funds ^{(3) = (1) - (2)}	Accumulated investment amount out of proceeds as of the end of the Reporting Period ⁽⁴⁾	Including: accumulated investment amount out of excess proceeds as of the end of the Reporting Period ⁽⁵⁾	Process of accumulated investment of proceeds as of the end of the Reporting Period ^{(6) = (4)/(1)}	Process of accumulated investment of excess proceeds as of the end of the Reporting Period ^{(7) = (5)/(3)}	Investment amount for the year ⁽⁸⁾	Proportion of investment amount for the year ^{(9) = (8)/(1)}	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	0	0	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 of the end of 2022, the proceeds raised from the above-mentioned non-public issuance of A Shares, totalling 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 million 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 million. As of the end of the Reporting Period, the Company has utilised a total proceeds from H shares of HKD13.31 billion. The amount of unutilised proceeds from H shares was HKD2,275 million, 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.

Section VI Significant Events

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

1. Use of Proceeds from A Share IPO

Unit: RMB'000

Source of proceeds	Project name	Project nature	Whether it is a promised investment project in the prospectuses involved	Whether the change is involved	Total planned investment of proceeds ⁽¹⁾	Investment amount for the year	Accumulated investment amount out of proceeds as of the end of the Reporting Period ⁽²⁾	Cumulative investment progress as at the end of the Reporting Period ⁽³⁾⁽⁴⁾⁽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 or R&D results achieved for the year	Efficiency or R&D results achieved for the 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	-	-	-	It can only be clarified after the project is implemented	No	No	(Note 1)	-	It can only be clarified after the project is completed	No	-
Initial Public Offering	Ramu Nickel Laterite Mine project	Production and construction	Yes	No	250,000.00	-	250,000.04 ^(Note 2)	100.00	December 2012	Yes	No	(Note 3)	18,917.75	Designed production capacity No of 132,601 tons of nickel and 3,300 tons of cobalt. In hydroxide per year has been achieved	Yes ^(Note 4)	-
Initial Public Offering	Innovation base project of the National Steel Structures Engineering Technology Research Centre	Research and Development	Yes	Yes, partially changed	41,487.35 ^(Note 4)	-	42,826.56 ^(Note 2)	100.00	July 2022	Yes	Yes	-	-	See Note 5 for details	Yes ^(Note 4)	13,368.15 ^(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)	-	189,304.73 ^(Note 2)	100.00	-	Yes	Yes	-	-	Nil	No ^(Note 6)	312,963.88 ^(Note 2)
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	-	64,306.53 ^(Note 2)	100.00	December 2019	Yes	No	(Note 7)	-	Temporarily increased the industrial supporting capacity	No	-
Initial Public Offering	Project in Caidadian, 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	-	44,044.10 ^(Note 2)	100.00	November 2018	Yes	No	(Note 8)	16.23	See Note 6 for details	No	-

Section VI 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 the end of the Reporting Period ⁽²⁾	Cumulative progress as at the end of the Reporting Period ⁽³⁾⁻⁽⁴⁾ (%)	Date on which project reached expected available status	Closed or not	Whether investment process 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	Project in relation to an annual production of 400,000 tons of ERW welded pipes by MCC Liaoning Dragon Pipe Industries Co., Ltd.	Production and construction	Yes	Yes, partially changed	20,636.04 ^(Note 2)	-	20,667.54 ^(Note 2)	100.0	October 2011	Yes	No	(Note 10)	-	N/A	No ^(Note 8)	14,053.95 ^(Note 8)
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	- ^(Note 11)	-	-	-	-	-	-	-	-	-	Yes ^(Note 11)	-
Initial Public Offering	Large multi-ram die forgings and heavy equipment automation industrial base construction project	Production and construction	No	Yes, partially changed	39,001.18 ^(Note 11)	-	39,001.18	100.0	September 2011	Yes	No	(Note 12)	53.32	See Note 12 for details	Yes ^(Note 12)	9,347.83 ^(Note 12)
Initial Public Offering	Property development project in Gaohang Town, Pudong	Others	Yes	No	58,800.00	-	58,800.00	100.0	August 2010	Yes	Yes	-	-	The project achieved a cumulative profit of RMB689,265,300	No	-
Initial Public Offering	Property development project of old town area renovation work (Phase II) in Yuan Yang Town, Jing Kai Yuan, North New District, Chongqing	Others	Yes	No	50,000.00	-	50,692.73 ^(Note 2)	100.0	August 2013	Yes	Yes	-	103.46	The project achieved a cumulative profit of RMB668,100,900, and received the Chinese Civil Engineering Zhan Tianyou Award and the Excellent Residential Community Gold Award	No	-
Initial Public Offering	Replenishment of working capital and repayment of bank loans	Replenishment of working capital and repayment of bank loans	Yes	No	844,738.71	-	844,686.59 ^(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 bank loans	No	No	151,097.24	-	151,097.24	-	-	-	-	-	-	-	-	-
Total	/	/	/	/	1,635,897.24	-	1,765,622.24	-	/	/	/	/	/	/	/	350,333.82

Section VI Significant Events

Notes:

1. Afghanistan Aynak Copper Mine project: During the Reporting Period, the Company maintained close communication with the Afghan interim government and is accelerating the preliminary preparations for the project, including the feasibility study, construction of access roads to the mine, and other preparatory work. The Company is actively creating favourable conditions to improve the investment outcomes of the project, ensuring that substantial progress is made in cooperation with the Afghan interim government as soon as possible.
2. 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.
3. 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 2025, accumulative gain achieving turnaround.
4. Innovation base project of the National Steel Structures Engineering Technology Research Centre: Approved by the 2010 Annual General Meeting, the innovation base project of the National Steel Structures Engineering Technology Research Centre changed the originally planned investment of RMB750 million from the RMB1.5 billion raised through A-share issuance to be permanently added to the Company's working capital (for details, please refer to the relevant announcement disclosed by the Company on 17 June 2011). Approved by the First Extraordinary General Meeting of Shareholders in 2013, the principal and interest of RMB195 million for the project's planned use after 2014 were changed to be permanently added to the working capital (for details, please refer to the relevant announcement disclosed by the Company on 22 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 26 June 2023). The cumulative change amounted to RMB1,085 million.
5. The innovation base project of the National Steel Structures Engineering Technology Research Centre 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 Centre" and the "National Steel Structure Quality Supervision and Inspection Centre". 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 Industrialization 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 million 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 factors such as the saturation of the steel structure market for metallurgical projects and intense market competition, the project in Caofeidian, Tangshan in relation to the production of 500,000 tons of cold bend steel and steel structures has insufficient production capacity, which affected the expected returns. The project in Caofeidian, Tangshan in relation to the production of 500,000 tons of cold bend steel and steel structures has achieved a cumulative economic benefit of RMB25,961,400. The project has reached 42 patents in research and development, mainly including a method for making tree-shaped multi-segment spatial angle bent intersecting components, single-to-double transition arched boxes, load-bearing beam fabrication techniques, etc. It has yielded 6 key achievements, mainly comprising rapid construction technology for urban large-scale steel bridge boxes and processing techniques for bidirectional curved shell structures, etc.

Section VI Significant Events

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. will be changed to permanent replenishment to working capital.
10. Due to multiple factors, the steel pipe production and sales volume 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. has remained below the breakeven point, while processing costs such as labour fees and maintenance costs remain high. As a result, the project Company's total profit is in a loss state. The project company officially entered bankruptcy liquidation proceedings on 29 May 2023. The court's bankruptcy liquidation administrator team has begun the liquidation process, and some assets, including buildings, vehicles, steel pipes, and parts, are currently being auctioned. As at the end of June 2025, the remaining employees are being resettled. After the administrator team completes the liquidation, the company will proceed with the subsequent steps of bankruptcy proceedings.
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 17 June 2011).
12. Centered on four key product lines—multi-directional die forgings & heavy-duty presses, metallurgical energy & environmental equipment, high-end valves & high-pressure piping manifolds, and high-performance wear-resistant components—the construction of the Large multi-ram die forgings and heavy equipment automation industrial base construction project has successfully developed over 100 mature products. It has been accredited as a National High-Tech Enterprise and a Hebei Province Specialized and Innovative Small and Medium-sized Enterprise, among more than 10 innovation platforms. The Company has successively won more than 60 awards and achievements, including the National Science and Technology Progress Award, the China Patent Excellence Award, and the Metallurgical Science and Technology Award. Furthermore, it has contributed to the establishment of 4 national standards, 3 industry standards, and 4 group standards, while undertaking 1 national-level and 4 provincial-level research projects, yielding more than 30 technological outcomes. As considered and approved at the annual general meeting for the year 2023 held on 25 June 2024, the remaining proceeds from the project and the interest thereon amounting to RMB93 million will be used for permanent replenishment to working capital.

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 of the end of the Reporting Period ⁽²⁾	Cumulative investment progress 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	—

Section VI Significant Events

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

☐ Applicable ☒ Not Applicable

(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 2025, approved by the 70th meeting of the third session of the Board, it was agreed to temporarily use the idle funds raised from the A-share IPO to supplement the working capital, with a total amount not exceeding RMB959.99 million and a usage period not exceeding one year (for details, please refer to the relevant announcement disclosed by the Company on 28 March 2025). As at the end of the Reporting Period, the Company had utilised an aggregate of RMB959.99 million of idle A-share proceeds as replenishment to working capital.

3. **Cash Management against Idle Proceeds to Invest in Relevant Products**

☐ Applicable ☒ Not Applicable

4. **Others**

☐ Applicable ☒ Not Applicable

(V) **Special Verification and Certification Opinions by Intermediary Institutions on the Storage and Use of Raised Funds**

☐ Applicable ☒ Not Applicable

Explanation of abnormal findings during verification

☐ Applicable ☒ Not Applicable

(VI) **Subsequent Rectification for Unauthorized Changes in the Use of Raised Funds and Misappropriation of Raised Funds**

☐ Applicable ☒ Not Applicable

XIII. EXPLANATION OF OTHER SIGNIFICANT EVENTS

☐ Applicable ☒ Not Applicable

Section VII Changes In Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Statement of Changes in Shares

1. Statement of Changes in Shares

During the Reporting Period, there were no changes in the total number of shares and share capital structure of the company.

2. Explanation of the Changes in Shares

☐ Applicable ☒ Not Applicable

3. Impacts on Financial Indicators including Earnings per Share, Net Assets per Share, etc. Due to Changes in Shares during the Period from the End of the Reporting Period to the Issuance of Interim Report (if any)

☐ Applicable ☒ Not Applicable

4. Other Information on the Disclosure of which is Deemed Necessary by the Company or is Required by Securities Regulatory Authorities

☐ Applicable ☒ Not Applicable

(II) Changes in Restricted Shares

☐ Applicable ☒ Not Applicable

II. PARTICULARS OF SHAREHOLDERS

(I) Total Number of Shareholders

Total number of ordinary Shareholders as at the end of the Reporting Period (persons)	312,041
Total number of Shareholders of preferred shares whose voting rights have been restored as at the end of the Reporting Period (person)	0

Section VII Changes In Shares and Particulars of Shareholders

(II) Table of Shareholding of the Top Ten Shareholders and Top Ten Shareholders with Tradable Shares (or Shareholders 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)	Increase/Decrease during the Reporting Period	Number of shares held at the end of the period	Proportion (%)	Number of shares subject to selling restrictions	Pledged, charged or frozen		Nature of shareholder
					Status of shares	Amount	
China Minmetals Corporation	0	9,171,859,770	44.26	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ⁽²⁾	2,053,000	2,849,072,401	13.75	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	0	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	112,512,108	429,195,458	2.07	0	Nil	0	Others
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	4,587,100	127,801,493	0.62	0	Nil	0	Others
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Sponsoring-type Securities Investment Fund	5,644,700	90,699,042	0.44	0	Nil	0	Others
Industrial and Commercial Bank of China Limited – China CSI 300 Exchange-traded Open-end Index Securities Investment Fund	9,980,900	66,508,800	0.32	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
E-Fund – Agricultural Bank – E-Fund China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
Da Cheng Fund – Agricultural Bank – Da Cheng China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
China AMC Fund – Agricultural Bank – China AMC China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
ICBC Credit Suisse Asset – Agricultural Bank – China Securities and Financial Assets Management Programme of ICBC Credit Suisse Asset	0	63,516,600	0.31	0	Nil	0	Others

Section VII 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 shares held without selling restrictions	Types and number of shares	
		Types	Amount
China Minmetals Corporation	9,171,859,770	RMB ordinary shares	9,171,859,770
HKSCC Nominees Limited ⁽²⁾	2,849,072,401	Overseas-listed foreign-invested shares	2,849,072,401
China National Petroleum Corporation	1,227,760,000	RMB ordinary shares	1,227,760,000
China Metallurgical Group Corporation	1,019,095,530	RMB ordinary shares	1,019,095,530
China Securities Finance Corporation Limited	589,038,427	RMB ordinary shares	589,038,427
Hong Kong Securities Clearing Company Limited	429,195,458	RMB ordinary shares	429,195,458
Industrial and Commercial Bank of China Limited – Huatai- PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	127,801,493	RMB ordinary shares	127,801,493
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Sponsoring-type Securities Investment Fund	90,699,042	RMB ordinary shares	90,699,042
Industrial and Commercial Bank of China Limited – China CSI 300 Exchange-traded Open-end Index Securities Investment Fund	66,508,800	RMB ordinary shares	66,508,800
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	63,516,600	RMB ordinary shares	63,516,600
E-Fund – Agricultural Bank –E-Fund China Securities and Financial Assets Management Program	63,516,600	RMB ordinary shares	63,516,600
Da Cheng Fund – Agricultural Bank – Da Cheng China Securities and Financial Assets Management Programme	63,516,600	RMB ordinary shares	63,516,600
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Programme	63,516,600	RMB ordinary shares	63,516,600
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Programme	63,516,600	RMB ordinary shares	63,516,600
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Programme	63,516,600	RMB ordinary shares	63,516,600
China AMC Fund – Agricultural Bank – China AMC China Securities and Financial Assets Management Programme	63,516,600	RMB ordinary shares	63,516,600
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Programme	63,516,600	RMB ordinary shares	63,516,600
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Programme	63,516,600	RMB ordinary shares	63,516,600
ICBC Credit Suisse Asset – Agricultural Bank – China Securities and Financial Assets Management Programme of ICBC Credit Suisse Asset	63,516,600	RMB ordinary shares	63,516,600
Explanation of share repurchase accounts among 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 considered persons acting in concert. Apart from this, the Company is unaware of any related party relationships or persons acting in concert among other shareholders.		
Explanations on the Shareholders of preferred shares whose voting rights have been restored and the number of Shares held	Not Applicable		

Section VII Changes In Shares and Particulars of Shareholders

Note (1): Figures in the table were extracted from the Company register of shareholders as at 30 June 2025.

Note (2): The H Shares held by HKSCC Nominees Limited are those held on behalf of their beneficial 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

☐ Applicable ☒ Not Applicable

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 the top ten shareholders subject to selling restrictions and information on the selling restrictions

☐ Applicable ☒ Not Applicable

(III) Strategic Investors or General Legal Persons Became One of the Top Ten Shareholders as a Result of the Placing of the New Shares

☐ Applicable ☒ Not Applicable

Section VII Changes In Shares and Particulars of Shareholders

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) **Particulars of Changes in the Shareholdings of Current and Resigned Directors and Senior Management during the Reporting Period**

☐ Applicable ☒ Not Applicable

(II) **Share Incentives Granted to Directors, Supervisors and Senior Management during the Reporting Period**

☐ Applicable ☒ Not Applicable

(III) **Securities Interests Owned by Directors, Supervisors and Senior Management**

1. Directors', Supervisors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2025, so 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 shares position	Identity	Number of shares	Percentage of the relevant class of shares in issue (%)	Percentage of the total number of shares in issue (%)
Supervisor							
Yin Sisong	Chairman of the Supervisory Committee	A Shares	Long position	Beneficial owner	28,100	0	0

Save as disclosed above, as at 30 June 2025, so 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 Article 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.

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

As at 30 June 2025, 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.

Section VII Changes In Shares and Particulars of Shareholders

3. *Interests and Short Positions of Substantial Shareholders and Other Persons in the Shares and Underlying Shares of the Company*

As at 30 June 2025, 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 Article 336 of the SFO:

Shareholders 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, so far as the Directors, Supervisors and chief executives of the Company are aware, as at 30 June 2025, in accordance with the register required to be kept under Article 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.

IV. CHANGES IN CONTROLLING SHAREHOLDERS OR DE FACTO CONTROLLERS

☐ Applicable ☒ Not Applicable

V. DETAILS OF PREFERRED SHARES

☐ Applicable ☒ Not Applicable

Section VII Changes In Shares and Particulars of Shareholders

VI. EMPLOYEES AND REMUNERATION POLICY

(I) Employees

Number of existing employees of parent company	394
Number of existing employees of major subsidiaries	93,056
Total number of employees on duty	93,450
Number of employees resigned or retired to whom the parent company and principal subsidiaries are liable	110,689

Composition of Professionals

Composition of Professionals	Number of Professionals
Engineering Contracting	76,099
Featured Business	15,360
Comprehensive Real Estate	1,857
Others	134
Total	93,450

Level of Education

Categories of Educational Level	Number (persons)
Postgraduate or above	16,082
Undergraduate	54,813
Junior college	11,196
Below junior college	11,359
Total	93,450

(II) Compensation Policy

The Company implements a market-aligned remuneration system on the basis of performance appraisal. In accordance with applicable regulations, the Company established the basic pension contribution plan, basic medical insurance, unemployment insurance, maternity insurance, workers' injury compensation insurance and housing fund for employees. In accordance with applicable laws and regulations, the amount of contribution to the aforesaid social securities and housing fund are strictly based on state, provincial and municipal requirements. As approved by higher authorities, the Company also set up its enterprise annuity system for employees according to applicable regulations.

Section VIII Corporate Bonds

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS), CORPORATE 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 on Non-Financial Corporate Debt Financing Instruments

Unit: RMB'00 million

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Trading venue	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

Section VIII Corporate Bonds

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Trading venue	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

Section VIII Corporate Bonds

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Trading venue	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
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
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

Section VIII Corporate Bonds

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Trading venue	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
2025 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN006	102581856	23 April 2025 to 24 April 2025	25 April 2025	Exercise date of options redeemed by the issuer, with the first exercise date on 25 April 2030	12	2.35	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

Section VIII Corporate Bonds

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Trading venue	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2025 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN007	102581943	27 April 2025 to 28 April 2025	29 April 2025	Exercise date of options redeemed by the issuer, with the first exercise date on 29 April 2030	20	2.39	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN008	102582141	22 May 2025 to 23 May 2025	26 May 2025	Exercise date of options redeemed by the issuer, with the first exercise date on 26 May 2028	20	2.07	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN009	102582167	26 May 2025 to 27 May 2025	28 May 2025	Exercise date of options redeemed by the issuer, with the first exercise date on 28 May 2028	20	2.09	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN010	102582334	9 June 2025 to 10 June 2025	11 June 2025	Exercise date of options redeemed by the issuer, with the first exercise date on 11 June 2028	8	2.05	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

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

☐ Applicable ☒ Not Applicable

Overdue bonds

☐ Applicable ☒ Not Applicable

Explanations of overdue debts

☐ Applicable ☒ Not Applicable

Section VIII Corporate Bonds

2. *Trigger and Implementation of Option Clauses of the Company or Investor and Investor Protection Clauses*

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

3. *Adjustment of Credit Rating Results*

☐ Applicable ☒ Not Applicable

4. *Implementation, Change and Impact of Guarantee, Debt Repayment Plan and Other Debt Repayment Guarantee Measures During the Reporting Period*

Status	Implementation	Whether there is a change	Situation before the change	Reason for the changes	Whether the change has been approved by the decision-making authority	Effect of the change on the interests of bond investors
As at the date of approval of this 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	–

5. *Other Explanations on Non-financial Corporate Debt Financing Instruments*

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

Section VIII Corporate Bonds

(VI) The Company's Loss within the Scope of Consolidated Statements during the Reporting Period Exceeded 10% of the Net Assets as at the End of the Previous Year

☐ Applicable ☒ Not Applicable

(VII) Major Accounting Data and Financial Indicators

Unit: RMB'000

Major indicators	End of the Reporting Period	End of the previous year	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year (%)
Current ratio	1.04	1.05	-0.01
Quick ratio	0.61	0.64	-0.03
Debt-to-asset ratio (%)	78.94	77.43	1.51

	This Reporting Period (January to June)	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared to the corresponding period of the previous year (%)
Net profit attributable to Shareholders of the listed Company after deducting non-recurring profits and losses	2,326,486	3,,218,416	-27.71
EBITDA/total liabilities	1.43%	1.63%	Decreased by 0.20 percentage point
Interest protection multiples	3.10	3.91	-0.81
Cash dividend protection multiples	-9.63	-15.46	5.83
EBITDA interest coverage ratio	4.14	5.11	-0.97
Loan repayment ratio (%)	100.00	100.00	-
Interest repayment ratio (%)	100.00	100.00	-

II. CONVERTIBLE CORPORATE BONDS

☐ Applicable ☒ Not Applicable

Financial Statements

For the six months ended 30 June 2025

I. REVIEW REPORT

De Shi Bao (Yue) Zi (25) No. R00037

TO SHAREHOLDERS OF METALLURGICAL CORPORATION OF CHINA LTD.:

We have reviewed the accompanying interim financial statements of Metallurgical Corporation of China Ltd. (the "Company"), which comprise the consolidated and Company's balance sheets as at 30 June 2025, and the consolidated and Company's income statements, the consolidated and Company's cash flow statements and the consolidated and Company's statements of changes in shareholders' equity for the six months then ended, and the notes to the financial statements. The preparation of the financial statements is the responsibility of the Company's management. Our responsibility is to deliver a report on review of the interim financial statements based on our review.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. This Standard requires us to plan and perform the review to obtain limited assurance about whether the Interim Financial Statements are free from material misstatements. A review is limited primarily to procedures as enquiry of the Company's personnel and analytical review procedures applied to the financial information and thus provides less assurance than an audit. We have not performed an audit, and therefore we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises, and cannot present fairly, in all material respects, the consolidated and Company's financial positions as at 30 June 2025, and the consolidated and Company's operating performance and cash flows for the six months then ended.

Deloitte Touche Tohmatsu CPA LLP
Shanghai, China

Chinese Certified Public Accountant:
Chen Wenlong

Chinese Certified Public Accountant:
Zhou Hongyu

29 August 2025

This review report and the accompanying financial statements are English translations of the Chinese review report and the financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the balance sheet and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET 30 JUNE 2025

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	NOTE VII	30 June 2025 (unaudited)	31 December 2024
Current assets:			
Cash and bank balances	1	53,057,489	52,558,851
Held-for-trading financial assets		2,622	2,770
Notes receivable	2	5,365,099	4,846,051
Accounts receivable	3	224,490,464	213,513,725
Receivables financing	4	9,867,924	8,597,053
Prepayments	5	21,085,447	22,793,334
Other receivables	6	39,001,578	42,197,057
Inventories	7	72,117,954	75,593,134
Contract assets	8	194,169,274	156,291,569
Non-current assets due within one year	9	12,418,215	11,716,139
Other current assets	10	11,622,563	11,657,487
Total Current Assets		643,198,629	599,767,170
Non-current assets:			
Long-term receivables	11	56,847,396	54,419,815
Long-term equity investments	12	41,026,151	38,078,760
Investments in other equity instruments	13	1,728,852	1,698,287
Other non-current financial assets	14	4,720,626	4,875,569
Investment properties	15	8,462,841	8,320,768
Fixed assets	16	26,743,461	27,423,332
Construction in progress	17	5,915,025	5,493,997
Right-of-use assets	18	630,128	567,911
Intangible assets	19	34,041,752	33,639,591
Goodwill	20	53,923	53,923
Long-term prepaid expenses	21	344,653	361,491
Deferred tax assets	22	9,194,724	8,936,039
Other non-current assets	23	24,497,878	24,379,102
Total Non-current Assets		214,207,410	208,248,585
TOTAL ASSETS		857,406,039	808,015,755

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED BALANCE SHEET (CONTINUED) 30 JUNE 2025

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	NOTE VII	30 June 2025 (unaudited)	31 December 2024
Current liabilities:			
Short-term borrowings	25	59,345,497	33,853,836
Derivative financial liabilities	26	713,359	755,963
Notes payable	27	28,781,079	30,147,409
Accounts payable	28	357,445,588	335,085,043
Receipts in advance	29	131,092	99,579
Contract liabilities	30	57,522,429	61,190,649
Employee benefits payable	31	2,839,169	3,090,045
Taxes payable	32	3,883,361	4,972,005
Other payables	33	55,780,786	55,797,734
Non-current liabilities due within one year	34	17,118,136	15,163,328
Other current liabilities	35	34,151,988	33,474,309
Total Current Liabilities		617,712,484	573,629,900
Non-current liabilities:			
Long-term borrowings	36	45,879,836	40,311,531
Bonds payable	37	5,345,000	4,000,000
Lease liabilities	38	478,768	422,701
Long-term payables	39	1,275,169	1,341,885
Long-term employee benefits payable	40	3,354,890	3,440,348
Provisions	41	893,657	1,003,947
Deferred income	42	962,859	1,019,027
Deferred tax liabilities	22	140,387	147,012
Other non-current liabilities	43	763,538	363,538
Total Non-current Liabilities		59,094,104	52,049,989
TOTAL LIABILITIES		676,806,588	625,679,889

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED BALANCE SHEET (CONTINUED) 30 JUNE 2025

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	NOTE VII	30 June 2025 (unaudited)	31 December 2024
Shareholders' Equity:			
Share capital	44	20,723,619	20,723,619
Other equity instruments	45	47,600,000	50,600,000
Including: Perpetual bonds		47,600,000	50,600,000
Capital reserve	46	23,446,361	23,460,671
Other comprehensive income	47	736,674	751,118
Special reserve	48	1,514,997	1,024,967
Surplus reserve	49	3,782,468	3,782,468
Retained profits	50	53,324,571	52,700,255
Total equity attributable to shareholders of the Company		151,128,690	153,043,098
Minority interests		29,470,761	29,292,768
TOTAL SHAREHOLDERS' EQUITY		180,599,451	182,335,866
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		857,406,039	808,015,755

The financial statements were signed by the following:

Legal Representative:
Chen Jianguang

Chief Financial Officer:
Dong su

Financial Controller
Li Yifeng

The accompanying notes form part of the financial statements.

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S BALANCE SHEET 30 JUNE 2025

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	NOTE XVII	30 June 2025 (unaudited)	31 December 2024
Current assets:			
Cash and bank balances		4,007,184	8,377,885
Accounts receivable	1	441,191	538,857
Prepayments		90,207	209,509
Other receivables	2	84,046,627	72,337,152
Inventories		927	966
Contract assets		1,478,003	1,223,251
Non-current assets due within one year		9	10
Other current assets		135	135
Total Current Assets		90,064,283	82,687,765
Non-current assets:			
Long-term receivables	3	145,718	268,568
Long-term equity investments	4	99,930,284	99,420,115
Investments in other equity instruments		979	880
Fixed assets		20,954	20,699
Construction in progress		32,491	29,208
Right-of-use assets		47,445	156
Intangible assets		7,956	8,603
Other non-current assets		667,187	687,107
Total Non-current Assets		100,853,014	100,435,336
TOTAL ASSETS		190,917,297	183,123,101

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S BALANCE SHEET (CONTINUED) 30 JUNE 2025

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	NOTE XVII	30 June 2025 (unaudited)	31 December 2024
Current liabilities:			
Short-term borrowings	5	18,722,079	11,618,993
Derivative financial liabilities		713,015	752,975
Accounts payable		2,217,572	2,048,511
Contract liabilities		582,244	707,064
Employee benefits payable		19,601	19,402
Taxes payable		38,311	49,379
Other payables	6	48,986,828	46,072,350
Non-current liabilities due within one year	7	475,486	494,157
Total Current Liabilities		71,755,136	61,762,831
Non-current liabilities:			
Long-term borrowings	8	3,025,000	25,000
Bonds payable		2,000,000	2,000,000
Lease liabilities		36,965	–
Long-term employee benefits payable		75,668	77,367
Provisions		153,995	153,995
Deferred income		3,598	3,598
Total Non-current Liabilities		5,295,226	2,259,960
TOTAL LIABILITIES		77,050,362	64,022,791

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S BALANCE SHEET (CONTINUED) 30 JUNE 2025

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	NOTE XVII	30 June 2025 (unaudited)	31 December 2024
Shareholders' Equity:			
Share capital		20,723,619	20,723,619
Other equity instruments		47,600,000	50,600,000
Including: Perpetual bonds		47,600,000	50,600,000
Capital reserve		37,839,176	37,858,940
Other comprehensive loss		(17,270)	(17,365)
Special reserve		12,550	12,550
Surplus reserve		3,782,468	3,782,468
Retained profits		3,926,392	6,140,098
TOTAL SHAREHOLDERS' EQUITY		113,866,935	119,100,310
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		190,917,297	183,123,101

The financial statements were signed by the following:

Legal Representative:
Chen Jianguang

Chief Financial Officer:
Dong su

Financial Controller
Li Yifeng

The accompanying notes form part of the financial statements.

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED INCOME STATEMENT For the six months period ended 30 June 2025

RMB'000

Item	NOTE VII	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Operating income	51	237,532,712	298,841,527
Less: Operating costs	51	213,563,935	271,800,189
Taxes and levies	52	877,155	911,497
Selling expenses	53	1,304,083	1,386,378
Administrative expenses	54	5,332,722	5,708,421
Research and development expenses	55	6,734,970	8,066,189
Financial expenses	56	753,800	637,300
Including: Interest expenses		1,435,030	1,305,831
Interest income		937,172	973,653
Add: Other income	57	239,657	249,163
Investment losses	58	(445,757)	(600,908)
Including: (Loss)/Gains from investments in associates and joint ventures		(52,241)	19,421
Losses arising from derecognition of financial assets at amortised cost		(256,644)	(401,664)
Losses on changes in fair values	59	(44,681)	(216,602)
Impairment losses of credit	60	(1,905,514)	(2,776,908)
Impairment losses of assets	61	(1,700,083)	(2,089,156)
Gains on disposal of assets	62	178,667	847,464
Operating profit		5,288,336	5,744,606
Add: Non-operating income	63	127,460	142,293
Less: Non-operating expenses	64	136,647	205,751
Total profit		5,279,149	5,681,148
Less: Income tax expenses	65	1,206,157	980,516
Net profit		4,072,992	4,700,632
(I) Classified by the continuity of operation			
Net profit from continuing operations		4,072,992	4,700,632
(II) Categorised by ownership			
Net profit attributable to shareholders of the Company		3,099,278	4,149,738
Net profit attributable to minority interests		973,714	550,894

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the six months period ended 30 June 2025

RMB'000

Item	NOTE VII	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Other comprehensive loss, net of income tax	47	(26,314)	(260,201)
Other comprehensive loss attributable to shareholders of the Company, net of income tax		(13,674)	(270,496)
(I) Other comprehensive income/(loss) that cannot be reclassified to profit or loss		13,887	(18,012)
1. Changes from remeasurement of defined benefit plans		120	(76,465)
2. Other comprehensive loss that cannot be reclassified to profit or loss under the equity method		(23)	(10)
3. Changes in fair value of investments in other equity instruments		13,790	58,463
(II) Other comprehensive loss that will be reclassified to profit or loss		(27,561)	(252,484)
1. Other comprehensive loss that can be reclassified to profit or loss under the equity method		(1,916)	(309)
2. Changes in fair value of receivables financing		9,721	26,284
3. Translation differences of financial statements denominated in foreign currencies		(35,366)	(278,459)
Other comprehensive (loss)/income attributable to minority interests, net of income tax		(12,640)	10,295
Total comprehensive income		4,046,678	4,440,431
Total comprehensive income attributable to shareholders of the Company		3,085,604	3,879,242
Total comprehensive income attributable to minority interests		961,074	561,189
Basic earnings per share (RMB/Share)	66	0.09	0.11
Diluted earnings per share (RMB/Share)	66	0.09	0.11

The financial statements were signed by the following:

Legal Representative:
Chen Jianguang

Chief Financial Officer:
Dong su

Financial Controller
Li Yifeng

The accompanying notes form part of the financial statements.

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S INCOME STATEMENT For the six months period ended 30 June 2025

RMB'000

Item	NOTE XVII	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Operating income	9	971,838	100,325
Less: Operating costs	9	970,815	105,751
Taxes and levies		3,721	3,093
Selling expenses		8,414	–
Administrative expenses		102,432	142,688
Financial expenses		(233,712)	(469,669)
Including: Interest expenses		735,248	659,468
Interest income		980,278	1,145,230
Add: Other income		769	808
Investment income	10	196,151	533,613
Including: Investment (loss)/income in associates and joint ventures		(3,767)	19
Losses on changes in fair values		(43,704)	(212,204)
(Losses on)/Reversal of credit impairment	11	(3,946)	46,698
Losses on asset impairment		(7,454)	(554)
Gains on disposal of assets		–	49
Operating profit		261,984	686,872
Add: Non-operating income		100	200
Less: Non-operating expenses		58	63,082
Total profit		262,026	623,990
Less: Income tax expenses		–	–
Net profit		262,026	623,990
Classified by the continuity of operation			
Net profit from continuing operations		262,026	623,990

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S INCOME STATEMENT (CONTINUED) For the six months period ended 30 June 2025

RMB'000

Item	NOTE XVII	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Other comprehensive income, net of income tax		95	852
(I) Other comprehensive income/(loss) that cannot be reclassified to profit or loss		95	(1,827)
1. Changes from remeasurement of defined benefit plans		(4)	(1,832)
2. Changes in fair value of investments in other equity instruments		99	5
(II) Other comprehensive income that will be reclassified to profit or loss		—	2,679
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		—	2,679
Total comprehensive income		262,121	624,842

The financial statements were signed by the following:

Legal Representative:
Chen Jianguang

Chief Financial Officer:
Dong su

Financial Controller
Li Yifeng

The accompanying notes form part of the financial statements.

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED CASH FLOW STATEMENT For the six months period ended 30 June 2025

RMB'000

Item	NOTE VII	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
I. Cash Flows from Operating Activities			
Cash receipts from the sale of goods and the rendering of services		198,282,825	191,504,891
Receipts of tax refunds		618,396	393,518
Other cash receipts relating to operating activities	67(1)	6,392,516	5,614,622
Sub-total of cash inflows from operating activities		205,293,737	197,513,031
Cash payments for goods purchased and services received		196,917,475	194,874,669
Cash payments to and on behalf of employees		13,913,010	14,760,187
Payments of various types of taxes		7,387,115	6,075,910
Other cash payments relating to operating activities	67(1)	9,061,115	10,208,425
Sub-total of cash outflows from operating activities		227,278,715	225,919,191
Net Cash Flow Used in Operating Activities	68(1)	(21,984,978)	(28,406,160)
II. Cash Flows from Investing Activities			
Cash receipts from disposals and recovery of investments		225,791	340,809
Cash receipts from investment income		82,415	77,372
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		113,485	491,847
Net cash receipts from disposals of subsidiaries and other business units		150,797	–
Net cash receipts for acquisitions of subsidiaries and other business units		2,117,661	–
Other cash receipts relating to investing activities	67(2)	2,338,707	97,021
Sub-total of cash inflows from investing activities		5,028,856	1,007,049
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		2,017,837	1,535,215
Cash payments to acquire investments		3,529,253	946,037
Other cash payments relating to investing activities	67(2)	86,295	226,729
Sub-total of cash outflows from investing activities		5,633,385	2,707,981
Net Cash Flow Used in Investing Activities		(604,529)	(1,700,932)

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) For the six months period ended 30 June 2025

RMB'000

Item	NOTE VII	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
III. Cash Flows from Financing Activities			
Cash receipts from capital contributions		18,081,926	3,992,356
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		82,846	875
Cash receipts from issue of perpetual bonds		17,999,080	3,991,481
Cash receipts from borrowings		113,928,725	155,459,128
Other cash receipts relating to financing activities	67(3)	141,325	–
Sub-total of cash inflows from financing activities		132,151,976	159,451,484
Cash repayments of borrowings		84,927,194	121,015,341
Cash payments for distribution of dividends or profits or settlement of interest expenses		3,127,097	2,920,923
Including: Payments for distribution of dividends or profits to minority owners of subsidiaries		41,809	237,751
Other cash payments relating to financing activities	67(3)	19,357,393	3,810,451
Sub-total of cash outflows from financing activities		107,411,684	127,746,715
Net Cash Flow from Financing Activities		24,740,292	31,704,769
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		5,592	11,686
V. Net Increase in Cash and Cash Equivalents		2,156,377	1,609,363
Add: Opening balance of cash and cash equivalents		43,190,604	33,850,108
VI. Closing Balance of Cash and Cash Equivalents	68(2)	45,346,981	35,459,471

The financial statements were signed by the following:

Legal Representative:
Chen Jianguang

Chief Financial Officer:
Dong su

Financial Controller
Li Yifeng

The accompanying notes form part of the financial statements.

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S CASH FLOW STATEMENT For the six months period ended 30 June 2025

RMB'000

Item	NOTE XVII	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
I. Cash Flows from Operating Activities			
Cash receipts from the sale of goods and the rendering of services		214,429	27,054
Other cash receipts relating to operating activities		344,766	459,398
Sub-total of cash inflows from operating activities		559,195	486,452
Cash payments for goods purchased and services received		177,673	130,435
Cash payments to and on behalf of employees		88,614	114,368
Payments of various types of taxes		10,918	10,864
Other cash payments relating to operating activities		371,855	413,303
Sub-total of cash outflows from operating activities		649,060	668,970
Net Cash Flow Used in Operating Activities	12(1)	(89,865)	(182,518)
II. Cash Flows from Investing Activities			
Cash receipts from disposals and recovery of investments		—	1,550,364
Cash receipts from investment income		540,159	703,096
Other cash receipts relating to investing activities		10,974,935	14,312,330
Sub-total of cash inflows from investing activities		11,515,094	16,565,790
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		6,000	16,500
Cash payments to acquire investments		200,000	551,000
Other cash payments relating to investing activities		20,059,000	25,879,122
Sub-total of cash outflows from investing activities		20,265,000	26,446,622
Net Cash Flow Used in Investing Activities		(8,749,906)	(9,880,832)

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S CASH FLOW STATEMENT (CONTINUED) For the six months period ended 30 June 2025

RMB'000

Item	NOTE XVII	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
III. Cash Flows from Financing Activities			
Cash receipts from capital contributions		17,999,080	3,991,481
Cash receipts from borrowings		65,696,061	111,950,470
Other cash receipts relating to financing activities		190,551,393	204,926,432
Sub-total of cash inflows from financing activities		274,246,534	320,868,383
Cash repayments of borrowings		58,600,000	97,441,241
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,180,012	1,298,674
Other cash payments relating to financing activities		210,008,350	212,114,600
Sub-total of cash outflows from financing activities		269,788,362	310,854,515
Net Cash Flow from Financing Activities		4,458,172	10,013,868
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		373	(31,567)
V. Net Decrease in Cash and Cash Equivalents		(4,381,226)	(81,049)
Add: Opening balance of cash and cash equivalents		8,354,373	968,955
VI. Closing Balance of Cash and Cash Equivalents	12(1)	3,973,147	887,906

The financial statements were signed by the following:

Legal Representative:
Chen Jianguang

Chief Financial Officer:
Dong su

Financial Controller
Li Yifeng

The accompanying notes form part of the financial statements.

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months period ended 30 June 2025

RMB'000

Item	For the six months ended 30 June 2025 (unaudited)								
	Equity attributable to shareholders of the Company								Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Minority interests	
I. Closing balance of the prior year	20,723,619	50,600,000	23,460,671	751,118	1,024,967	3,782,468	52,700,255	29,292,768	182,335,866
II. Opening balance of the current period	20,723,619	50,600,000	23,460,671	751,118	1,024,967	3,782,468	52,700,255	29,292,768	182,335,866
III. Changes for the period	-	(3,000,000)	(14,310)	(14,444)	490,030	-	624,316	177,993	(1,736,415)
(I) Total comprehensive income	-	-	-	(13,674)	-	-	3,099,278	961,074	4,046,678
(II) Shareholders' contributions and reduction in capital	-	(3,000,000)	(14,310)	-	-	-	-	(745,539)	(3,759,849)
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	82,846	82,846
2. Capital contribution from holders of other equity instruments (Note VII, 45)	-	18,000,000	(19,764)	-	-	-	-	-	17,980,236
3. Capital reduction from holders of other equity instruments (Note VII, 45)	-	(21,000,000)	-	-	-	-	-	-	(21,000,000)
4. Acquisition of subsidiaries	-	-	-	-	-	-	-	11,795	11,795
5. Others	-	-	5,454	-	-	-	-	(840,180)	(834,726)
(III) Profit distribution	-	-	-	-	-	-	(2,475,732)	(41,809)	(2,517,541)
1. Distribution to shareholders	-	-	-	-	-	-	(1,160,523)	(41,809)	(1,202,332)
2. Distribution of interest on perpetual bonds	-	-	-	-	-	-	(1,315,209)	-	(1,315,209)
(IV) Transfers within the shareholders' equity	-	-	-	(770)	-	-	770	-	-
1. Other comprehensive income transferred to retained earnings	-	-	-	(770)	-	-	770	-	-
(V) Special reserve	-	-	-	-	490,030	-	-	4,267	494,297
1. Transfer to special reserve in the period	-	-	-	-	4,887,943	-	-	17,985	4,905,928
2. Amount utilised in the period	-	-	-	-	(4,397,913)	-	-	(13,718)	(4,411,631)
IV. Closing balance of the current period	20,723,619	47,600,000	23,446,361	736,674	1,514,997	3,782,468	53,324,571	29,470,761	180,599,451

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)								
	Equity attributable to shareholders of the Company								Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Minority interests	
I. Closing balance of the prior year	20,723,619	47,400,000	22,582,222	1,111,475	411,766	3,391,294	49,859,806	22,510,983	167,991,165
II. Opening balance of the current period	20,723,619	47,400,000	22,582,222	1,111,475	411,766	3,391,294	49,859,806	22,510,983	167,991,165
III. Changes for the period	-	4,000,000	(2,270)	(270,496)	392,103	-	824,276	(2,879,862)	2,063,751
(I) Total comprehensive income	-	-	-	(270,496)	-	-	4,149,738	561,189	4,440,431
(II) Shareholders' contributions and reduction in capital	-	4,000,000	(2,270)	-	-	-	(11,368)	(3,248,012)	738,350
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	980	980
2. Capital contribution from holders of other equity instruments	-	4,000,000	(3,639)	-	-	-	-	(105)	3,996,256
3. Capital reduction from holders of other equity instruments	-	-	-	-	-	-	(11,368)	(3,246,700)	(3,258,068)
4. Transactions with minority interests	-	-	1,712	-	-	-	-	(1,712)	-
5. Others	-	-	(343)	-	-	-	-	(475)	(818)
(III) Profit distribution	-	-	-	-	-	-	(3,314,094)	(198,642)	(3,512,736)
1. Distribution to shareholders	-	-	-	-	-	-	(1,492,101)	(146,242)	(1,638,343)
2. Distribution of interest on perpetual bonds	-	-	-	-	-	-	(1,821,993)	(52,400)	(1,874,393)
(IV) Transfers within the shareholders' equity	-	-	-	-	-	-	-	-	-
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	392,103	-	-	5,603	397,706
1. Transfer to special reserve in the period	-	-	-	-	5,492,332	-	-	442,552	5,934,884
2. Amount utilised in the period	-	-	-	-	(5,100,229)	-	-	(436,949)	(5,537,178)
IV. Closing balance of the current period	20,723,619	51,400,000	22,579,952	840,979	803,869	3,391,294	50,684,082	19,631,121	170,054,916

The financial statements were signed by the following:

Legal Representative:
Chen Jianguang

Chief Financial Officer:
Dong su

Financial Controller
Li Yifeng

The accompanying notes form part of the financial statements.

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months period ended 30 June 2025

RMB'000

Item	For the six months ended 30 June 2025 (unaudited)							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive loss	Special reserve	Surplus reserve	Retained profits	Total shareholders' equity
I. Opening balance of the current period	20,723,619	50,600,000	37,858,940	(17,365)	12,550	3,782,468	6,140,098	119,100,310
II. Changes for the period	-	(3,000,000)	(19,764)	95	-	-	(2,213,706)	(5,233,375)
(I) Total comprehensive income	-	-	-	95	-	-	262,026	262,121
(II) Owners' contributions and reduction in capital	-	(3,000,000)	(19,764)	-	-	-	-	(3,019,764)
1. Capital contribution from holders of other equity instruments	-	18,000,000	(19,764)	-	-	-	-	17,980,236
2. Capital reduction from holders of other equity instruments	-	(21,000,000)	-	-	-	-	-	(21,000,000)
(III) Profit distribution	-	-	-	-	-	-	(2,475,732)	(2,475,732)
1. Distribution to shareholders	-	-	-	-	-	-	(1,160,523)	(1,160,523)
2. Distribution of interest on perpetual bonds	-	-	-	-	-	-	(1,315,209)	(1,315,209)
III. Closing balance of the current period	20,723,619	47,600,000	37,839,176	(17,270)	12,550	3,782,468	3,926,392	113,866,935

Financial Statements

For the six months ended 30 June 2025

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)							Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive loss	Special reserve	Surplus reserve	Retained profits	
I. Opening balance of the current period	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 period	-	4,000,000	(3,365)	852	-	-	(2,690,104)	1,307,383
(I) Total comprehensive income	-	-	-	852	-	-	623,990	624,842
(II) Owners' contributions and reduction in capital	-	4,000,000	(3,365)	-	-	-	-	3,996,635
1. Capital contribution from holders of other equity instruments	-	4,000,000	(3,365)	-	-	-	-	3,996,635
2. Capital reduction from holders of other equity instruments	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	(3,314,094)	(3,314,094)
1. Distribution to shareholders	-	-	-	-	-	-	(1,492,101)	(1,492,101)
2. Distribution of interest on perpetual bonds	-	-	-	-	-	-	(1,821,993)	(1,821,993)
III. Closing balance of the current period	20,723,619	51,400,000	37,884,766	(2,646)	12,550	3,391,294	3,283,273	116,692,856

The financial statements were signed by the following:

Legal Representative:
Chen Jianguang

Chief Financial Officer:
Dong su

Financial Controller
Li Yifeng

The accompanying notes form part of the financial statements.

Financial Statements

For the six months ended 30 June 2025

III. BASIC INFORMATION

1. General

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 Approval for CMGC's Group Restructuring and Dual Listing in Domestic and Overseas Markets (Guozi Reform [2008] No. 528) issued on 10 June 2008. CMGC is the parent company of the Company and the SASAC is the ultimate controlling party of the Company. Upon establishment of the Company, the share capital of the Company was RMB13 billion, representing 13 billion ordinary shares of RMB1.0 each. On 14 September 2009, the Company issued 3,500,000,000 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 2,610,000,000 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 state-owned shares with a total amount of 350,000,000 A shares and 261,000,000 H shares of the Company to National Council for State Security Fund ("NSSF") of the PRC, of which 261,000,000 H shares held by NSSF were sold by the Company during the issuance of H shares, in accordance with the "Letter on the Entrustment to Sell State-owned Shares Held by the NSSF in Metallurgical Corporation of China Ltd.". Upon completion of the public offering of A shares and H shares above, the total share 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 China Minmetals Corporation ("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 CMGC's proportion of shareholding and voting rights 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. The CMGC's proportion of shareholding and voting rights upon the Company decreased from 56.18% to 55.10% subsequent to the completion of purchase and CMGC is still the controlling shareholder of the Company.

III. BASIC INFORMATION (CONTINUED)

1. General (Continued)

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, the CMGC's proportion of shareholding and voting rights upon the Company decreased from 55.10% to 49.18%.

In December 2024, CMGC transferred its 9,171,860,000 A shares of the Company (accounting for 44.26% of the Company's total share capital) to CMC for free. After the completion of the free transfer, the CMGC's proportion of shareholding and voting rights upon the Company decreased from 49.18% to 4.92%. The controlling shareholder of the Company has changed to CMC and the ultimate controlling party 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.

The Group provides services and products as follows: engineering contracting business mainly includes scientific research, planning, exploration, procurement, construction and installation services for metallurgical engineering, building construction, municipal infrastructure engineering, and other engineering projects such as mining, environmental protection, electric power, chemical industry, light industry and electronics; resource development business mainly includes the development and smelting of domestic and overseas metallic mineral resources, as well as the production and processing of non-metallic mineral resources, non-ferrous metals and polysilicon; specialised business products mainly include the manufacturing of equipment such as metallurgical special equipment, steel structures and other metal products, the construction and operation of ecological and environmental protection-related projects, as well as engineering supervision, consulting, and technical services; comprehensive real estate business mainly includes the development and sales of residential and commercial properties, the construction of affordable housing, and primary land development.

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

The financial statements had been approved by the board of directors of the Company on 29 August 2025.

IV. BASIS OF PREPARATION

1. Basis of preparation

The Group implements the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China ("MoF") and the relevant regulations (hereinafter collectively referred to as the "ASBEs"). In addition, the Group has disclosed relevant financial information in accordance with Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (Revised in 2023).

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.

Financial Statements

For the six months ended 30 June 2025

IV. BASIS OF PREPARATION (CONTINUED)

2. Going concern

The Group has performed an assessment of the going concern for the following 12 months from 30 June 2025 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.

3. 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.

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.

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 at 30 June 2025 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. The preparation period of the financial statements is from 1 January to 30 June of 2025.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3. Business cycle

Business cycle refers to the period that starts from the purchase of assets for production and ends with the realisation 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.

5. Methods of determining materiality criteria and selection basis

The Group applies the principle of materiality to prepare and present financial statements. An item is material if it is reasonably expected that the omission or misstatement of the item in the financial statements would affect the economic decision made by the user accordingly. When assessing materiality, the Group considers its specific circumstances and evaluates both the nature and the amount of the item. In determining the materiality of the nature, factors such as whether it arises from the Group's normal activities, whether it materially affects the Group's financial position, financial performance, cash flows, etc. are considered. In determining the materiality of the amount, factors such as the proportion of the amount to directly related items, including total assets, liabilities, owners' equity, operating income, operating costs, net profit, or the proportion to the amount of specific line item, are considered.

Item	Materiality criteria
Significant receivables for which credit loss allowance 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
Significant amount of provision for bad debts of receivables recovered or reversed	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
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 non-wholly owned subsidiaries	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

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Methods of determining materiality criteria and selection basis (Continued)

Item	Materiality criteria
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
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

6. Business combinations

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

6.1 Business combinations involving enterprises under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the entity being absorbed) that are obtained by the absorbing entity in a business combination involving entities under common control shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to share premium under capital reserve. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Business combinations (Continued)

6.2 Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date. Goodwill is initially recognised and measured at cost, being the excess of the cost of acquisition over the Group's interest in the fair value of the acquiree's net identifiable assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the cost of acquisition lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group reassesses the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the cost of acquisition. If after that reassessment, the cost of acquisition is still lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group recognises the remaining difference in profit or 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 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.

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.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Consolidated financial statements (Continued)

The Group reassesses whether or not it controls an investee if changes in related facts and circumstances result in changes in one or more elements of control.

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 recognised 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.

10. Translation of transactions and financial statements denominated in foreign currencies

10.1 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 recognised in profit or loss for the period, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Translation of transactions and financial statements denominated in foreign currencies (Continued)

10.1 Transactions denominated in foreign currencies (Continued)

When preparing financial statements involving foreign operations, if there are 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 recognised in profit or loss or other comprehensive income for the current period according to the nature of the non-monetary items.

10.2 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".

11. Financial instruments

Financial assets and financial liabilities are recognised 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 recognised in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognised amounts. When the Group recognises 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.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

The amortised cost of a financial asset or a financial liability is an accumulatively amortised amount arising from the initially recognised amount of the financial asset or the financial liability deducting repaid principals plus or less amortisation of the differences between the initially recognised 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 amortised 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.

11.1 Classification, recognition and measurement of financial assets

On initial recognition, the Group's financial assets are classified into the following categories: financial assets measured at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

11.1.1 Financial assets measured at amortised 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 amortised cost. The Group's financial assets measured at amortised cost include cash and bank balances, bills and accounts receivable, other receivables, non-current assets due within one year and long-term receivables (those due within one year are presented as non-current assets due within one year).

Such type of financial assets is subsequently measured at amortised cost using the effective interest rate method. Gain or loss arising from impairment or derecognition is recognised in profit or loss.

For financial assets measured at amortised cost, the Group recognises interest income using effective interest rate method. The Group calculates and recognises 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 recognises its interest income based on amortised cost of the financial asset and the effective interest rate through credit adjustment since initial recognition.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.1 Classification, recognition and measurement of financial assets (Continued)

11.1.1 Financial assets measured at amortised cost (Continued)

- (2) For purchased or originated financial assets without credit impairment incurred while with credit impairment incurred in subsequent periods, the Group calculates and recognises its interest income based on amortised 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, and the improvement is linked with an event occurred after application of above provisions, the Group shall calculate and recognise interest income through book value of financial assets multiplying effective interest rate.

11.1.2 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 recognised 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 derecognised, the cumulative gains or losses previously recognised in other comprehensive income shall be removed from other comprehensive income and recognised in profit or loss.

The Group's financial assets at FVTOCI are presented in the line item "financing with receivables" in the balance sheet.

11.1.3 Classified as 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 amortised cost or FVTOCI are categorised 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, and investments in unlisted funds and trust products, which are presented under the items "tradable financial assets" and "other non-current financial assets" in the balance sheet. The Group has no financial assets designated as at FVTPL.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.1 Classification, recognition and measurement of financial assets (Continued)

11.1.4 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 recognised in other comprehensive income, and when the financial assets are derecognised, the accumulative gains or losses previously recognised in other comprehensive income shall be transferred out from other comprehensive income and recognised 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 probable flow into the Group, and the amount of the dividends can be reliably measured, then the Group recognises dividend income in profit or loss.

11.2 Impairment of financial instruments

The Group shall recognise an impairment loss for expected credit losses on financial assets measured at amortised 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 recognised in profit or loss as impairment loss or gain. The Group has made a loss allowance against the 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, so 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.

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance date.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 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 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.

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.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.2 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 reorganisations;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;
- purchasing or originating a financial asset with a large scale of discount, which reflects the facts of credit loss incurred.

11.2.3 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;
- 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.3 Determination of expected credit loss (Continued)

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 recognised 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 ageing of the related accounts receivable is calculated based on the time 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.

11.2.4 Write-down of financial assets

When the Group no longer reasonably expects 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.

11.3 Transfer of financial assets

The Group will derecognise a financial asset if one of the following conditions is satisfied: (i) the contractual rights to the cash flows from the financial asset expires; (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 recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognise an associated liability.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.3 Transfer of financial assets (Continued)

If a transfer of a financial asset in its entirety satisfies the derecognition criteria, for financial asset categorised into those measured at amortised cost, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer is recognised in profit or loss; for the non-tradable equity instruments designated as financial assets at FVTOCI, the cumulative gain or loss that has been recognised in other comprehensive income should be transferred out from other comprehensive income but be recognised 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 derecognised 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 derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised in other comprehensive income; and the carrying amount allocated to the part derecognised on derecognition date; is recognised 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 recognise the transferred financial asset in its entirety. Considerations received due to transfer of assets should be recognised as a liability upon receipts.

11.4 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.

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

11.4.1 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 are designated as effective hedging instruments.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.4 Classification and measurement of financial liabilities (Continued)

11.4.1 Financial liabilities at fair value through profit or loss (Continued)

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 recognised 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.

11.4.2 Financial liability measured at amortised 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 amortised cost, with gain or loss arising from derecognition or amortisation recognised in profit or loss. The Group's financial liabilities measured at amortised 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 amortised 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 recognised 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 amortised during the remaining term of the modified financial liability.

If the term of the financial liability measured at amortised 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 presented as non-current liability due within one year; others are presented as non-current liability.

11.4.3 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 recognised less cumulative amortisation recognised in accordance with related terms of Standards for Revenue.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.5 Derecognition of financial liabilities

The Group derecognises 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 derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

11.6 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 recognised by the Group. The related transaction costs are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect the total amount of shareholders' equity.

11.7 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 recognised in current profit or loss.

11.8 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Inventories

12.1 Classification 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.

Performance costs of contracts is classified as current assets is shown in inventory.

12.2 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.

12.3 Basis for determining net realisable 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 realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made. Net realisable 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 realisable value is determined based on clear evidence obtained, taking into consideration the purposes of holding inventories and effect of post balance sheet events.

12.4 Inventory count system

The perpetual inventory system is maintained for stock system.

12.5 Amortisation 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 amortisation method or multiple-stage amortisation method.

12.6 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, capitalised 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 six months ended 30 June 2025

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.

13.1 Determination of initial 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.

13.2 Subsequent measurement and recognition of profit or loss

13.2.1 Long-term equity investment accounted for using the cost method

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.

13.2.2 Long-term equity investment accounted for using the equity method

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 recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.2 Subsequent measurement and recognition of profit or loss (Continued)

13.2.2 Long-term equity investment accounted for using the equity method (Continued)

Under the equity method, the Group recognises 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 recognises 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 recognised 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 recognises its share of the dividends of the investee by reducing the carrying value of the investment. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised 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. Unrealised losses are resulted from the Group's transactions with its associates and joint ventures, and the assets impairment losses are not eliminated.

13.3 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.

13.4 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 recognised to reduce the carrying amounts to the recoverable amounts (Note V19).

Financial Statements

For the six months ended 30 June 2025

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 amortisation 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:

	Estimated useful time (years)	Residual value rate (%)	Annual depreciation (amortisation) 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 (amortisation) 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 is expected to be unable to recover economic benefits from disposal, the investment property should be de-recognised. When an investment property is sold, transferred, retired or damaged, the Group recognises 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).

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets

15.1 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 recognised 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-recognised. Other subsequent expenditures are recognised in profit or loss or cost of related assets according to the beneficiary.

15.2 Depreciation of each category of fixed assets

Fixed asset is depreciated based on the cost of fixed asset recognised 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	Straight-line method	15-40	3-5	2.38-6.47
Temporary buildings and structures	Straight-line method	3-5	3-5	19.00-32.33
Machinery and equipment	Straight-line method	3-14	3-5	6.79-32.33
Transportation vehicles	Straight-line method	5-12	3-5	7.92-19.40
Office equipment and others	Straight-line method	5-12	3-5	7.92-19.40

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (Continued)

15.3 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 derecognised. 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 recognised 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 capitalised 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets

The Group's intangible assets include land use rights, mining rights, the right to use of the franchise, software, patent and 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.

18.1 Land use rights

Land use rights of the Group are amortised on the straight-line basis according to the useful lives of 40 to 70 years.

18.2 Mining rights

Amortisation is calculated based on the units of production method based only on proved mining reserves.

18.3 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 recognises 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 recognises 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 amortised 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 recognises 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.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

18.4 Software

Software is amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

18.5 Patent and proprietary technologies

Patent and proprietary technologies are amortised on the straight-line basis over 5 to 20 years.

18.6 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 recognised 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 recognised as an intangible asset:

- (1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (2) The Group has the intention to complete the intangible asset and use or sell it;
- (3) The Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- (5) 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 recognised in profit or loss when incurred. Expenditures that have previously been recognised in the profit or loss would not be recognised as an asset in subsequent years. Those expenditures capitalised during the development stage are recognised as development costs incurred and will be transferred to intangible assets when the underlying project is ready for an intended use.

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 recognised, it is not be reversed in any subsequent period.

20. Long-term prepaid expenses

Long-term prepaid expenses include improvement expenses on leased assets and other expenses incurred that should be amortised over the current and subsequent periods (amortisation period of more than one year). Long-term prepaid expenses are amortised on a straight-line basis over the expected periods in which benefits are derived, presented as the net amount of actual expenditure less accumulated amortisation.

21. Employee benefits

21.1 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 recognised as liabilities and included in the profits or losses of the current year or recognised 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 recognise corresponding employee benefit payables and include these expenses in the profits or losses of the current year or recognised as respective assets costs.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Employee benefits (Continued)

21.2 Post-employment benefits

Post-employment benefits are classified into defined contribution plans and defined benefit 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.

The Group provides supplementary pension benefits to certain retired employees, which is considered as defined benefit plans. For defined benefit plans, actuarial valuations are performed by independent actuaries at the semi-annual and annual balance sheet dates. The Group assigns the welfare obligation generated from the defined benefit plans to the period of rendering services using the formula determined by the projected unit credit method, and includes it in the current profit or loss or related asset costs. Employee benefit costs generated from the defined benefit plans are categorised as follows:

- (1) service cost (including current service cost, past service cost, as well as gains and losses on settlements);
- (2) net interest of net liabilities or assets of defined benefit plan (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- (3) changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

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 recognises (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.

21.3 Termination benefits

Liabilities arising from termination benefits and staff early retirement plan are recognised after the specific termination clauses are agreed or passed to the employee. The Group should recognise 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 (1) The Group cannot withdraw from the compensation plan of the employment termination by itself and (2) The Group recognises the costs or expenses of the reorganisation 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 recognised 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Employee benefits (Continued)

21.3 Termination benefits (Continued)

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 recognised 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 recognises 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.

22. Provisions

Provisions are recognised 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 recognised 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 recognised as interest expense.

If all or part of the provision settlements is reimbursed by third parties, when the realisation of income is virtually certain, then the related asset should be recognised. However, the amount of related asset recognised 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:

- (1) 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;
- (2) 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; or the financial instrument is settled by exchanging only fixed quantity of the Group's own equity instruments for a fixed amount of cash or other financial assets if the financial instrument is a derivative instrument.

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.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue

The Group shall recognise 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.

24.1 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.

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 recognised 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 recognises 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 recognised based on the amount of costs already incurred until the progress of performance can be reasonably determined.

24.2 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue (Continued)

24.3 Contracts for rendering of services

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 recognises it as a performance obligation to be performed within a certain period of time, and recognises 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 recognised based on the amount of costs already incurred until the progress of performance can be reasonably determined.

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 recognised 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 recognised immediately in profit or loss for the period. Government grants received by the Group related to routine activities are recognised 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 recognised in non-operating income.

Government grants used for creating long-term assets by purchase, construction or other ways are recognised 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 recognised as deferred income and amortised 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 recognised 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 recognised as deferred income, and will be recognised in profit or loss or used to offset with related costs and expenses for the period when related expenses or losses are recognised. If the government grants related to income are compensation for related expenses or losses already incurred, they are recognised immediately in profit or loss for the current period or used to offset related with costs and expenses.

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Government grants (Continued)

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 recognises 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 unamortised 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 recognised 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 recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

All taxable temporary differences are recognised as related deferred tax liabilities under normal circumstances. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised. 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 recognised. 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 realised or the liability is settled.

Deferred tax liabilities are recognised 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 recognised to the extent that it is probable that there will be taxable profits against which to utilise 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 utilised. 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 realise 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Leases

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.

27.1 The Group as the lessee

27.1.1 Separation of the lease

For a contract that contains one or more lease component and one or more additional lease or non-lease components, the Group will separate the individual lease and non-lease components and allocate 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.

Except for short-term leases and leases of low value assets, the Group recognises 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 asset, 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 V, 19).

Financial Statements

For the six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Leases (Continued)

27.1 The Group as the lessee (Continued)

27.1.1 Separation of the lease (Continued)

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 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 recognises and measures the lease liabilities at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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 recognised in profit or loss or the cost of underlying assets in the period in which they occur.

After the commencement date of the lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on a fixed periodic rate, and recognises such expenses in profit or loss or costs of related assets.

After the commencement date of the lease, the Group remeasures the lease liabilities and adjusts the right-of-use assets accordingly in the following cases. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability needs to be reduced further, the Group will recognise the difference in profit or loss for the period:

- 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Leases (Continued)

27.1 The Group as the lessee (Continued)

27.1.1 Separation of the lease (Continued)

- 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.

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 recognised. 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 recognised in profit or loss or the cost of underlying assets on a straight-line basis over the lease term.

27.2 The Group as the lessor

27.2.1 Separation of the lease

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.

27.2.2 Classification 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. Operational lease refers to the leases other than financial leases.

27.2.3 Rental deposit to be refunded

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.

27.2.4 Operating leases recorded by the Group as lessor

During the periods within the lease term, the Group recognises the lease receipts from operating lease as rental income. The initial direct costs incurred by the Group to obtain the operating lease are capitalised 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 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 six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Other significant accounting policies and accounting estimates

28.1 Distribution of dividends

The cash dividend of the Company is recognised as a liability upon approval in the annual shareholders' meeting.

28.2 Production safety expenses

The Group accrues for production safety expenses pursuant to the Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation (Cai Zi [2022] No.136) and the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation, issued by the Ministry of Finance and the Ministry of Emergency Management.

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or the profit or loss for the period and provided as a fund in the special reserve. Accounting treatments for the use of production safety expenses are distinguished whether fixed assets are formed, for those in the nature of expenses are directly charged against special reserve, for those which form part of fixed assets, the accumulated cost is recognised in fixed assets when it is ready for intended use, meanwhile special reserve is reversed at the same amount and depreciation is recognised at the same amount.

28.3 Segment information

The accounting policies of segment information are listed in Note XVI 1(1).

28.4 Significant accounting estimates and judgements

As operating activities have inherent uncertainties, the Group needs 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 recognised in the current year. If the changes of accounting estimates affect both of the current year and the future period, the influence amount is recognised in the current year and the future period.

28.4.1 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.

Equity instruments

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 perpetual bond is classified as an equity instrument, which meets the qualifying to be recorded in Note V 23 as equity instrument.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Other significant accounting policies and accounting estimates (Continued)

28.4 Significant accounting estimates and judgements (Continued)

28.4.1 Important judgments in applying accounting policies (Continued)

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.

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.

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.

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 six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Other significant accounting policies and accounting estimates (Continued)

28.4 Significant accounting estimates and judgements (Continued)

28.4.2 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:

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 accumulative 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 where 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.

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.

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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Other significant accounting policies and accounting estimates (Continued)

28.4 Significant accounting estimates and judgements (Continued)

28.4.2 The key assumptions and uncertainties used in accounting estimates (Continued)

Useful lives of fixed assets, investment properties, and intangible assets

The fixed assets, investment properties and intangible assets of the Group are depreciated or amortised over their expected useful lives. The Group periodically reviews the expected useful life of the underlying assets to determine the amount of depreciation and amortisation 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 amortisation expenses are adjusted for future periods.

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 recognised as management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. 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 recognised if management considers it is not probable to utilise the deductible temporary differences or tax losses to deduct taxable income in future.

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 recognised immediately and therefore affect recognised 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 six months ended 30 June 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Changes in significant accounting policies and accounting estimates

29.1 Changes in significant accounting policies

During the reporting period, the Group's significant accounting policies remain unchanged.

29.2 Changes in significant accounting estimates

During the reporting period, the Group's significant accounting estimates remain unchanged.

VI. TAXATION

1. Major categories of taxes and respective tax rates

The main types of taxes and tax rates applicable to the Company and its domestic subsidiaries are as follows:

Type of taxes	Tax basis	Tax rate
Value-added tax ("VAT")	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input VAT of the current period)	3%, 5%, 6%, 9% and 13%
Urban maintenance and construction tax	Payment for VAT	1%, 5% and 7%
Education surcharge	Payment for VAT	3%
Enterprise income tax	Taxable income	25%
Land appreciation tax	Taxable value-added amount obtained from the transfer of properties	30%-60%

Except for certain subsidiaries established domestically that enjoy tax incentives, enterprise income tax is calculated and paid at a rate of 25% of taxable income.

All foreign subsidiaries of the Company, including those in the Hong Kong Special Administrative Region of the People's Republic of China, calculate and pay taxes according to the applicable tax types and rates required by local tax laws.

Financial Statements

For the six months ended 30 June 2025

VI. TAXATION (CONTINUED)

2. Tax incentives

The enterprise income tax incentives enjoyed by the major companies within the Group are summarised as follows:

Name of company	Preferential tax rate		Preferential policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
Shanghai Baoye Group Corp. Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China First Metallurgical Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China Second Metallurgical Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China MCC 3 Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China MCC 5 Group Corp. Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China MCC 17 Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises
China MCC 19 Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises, weighted deduction for research and development expenses, and weighted deduction for wages or salaries paid to disabled employees
China MCC 22 Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Central Research Institute of Building and Construction Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Capital Engineering & Research Incorporation Limited	15%	15%	Tax incentives for high-tech enterprises
WISDRI Engineering & Research Incorporation Limited	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Huatian Engineering & Technology Corporation, MCC	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Zhong Ye Chang Tian International Engineering Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Shen Kan Engineering & Technology Corporation, MCC	15%	15%	Tax incentives for high-tech enterprises
Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC	15%	15%	Tax incentives for high-tech enterprises
MCC TianGong Group Corporation Limited	15%	15%	Tax incentives for high-tech enterprises, weighted deduction for research and development expenses, and weighted deduction for wages or salaries paid to disabled employees
MCC Baosteel Technology Services Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Communication Construction Group China Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises

Financial Statements

For the six months ended 30 June 2025

VI. TAXATION (CONTINUED)

2. Tax incentives (Continued)

Name of company	Preferential tax rate		Preferential policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
MCC (Shanghai) Steel Structure Technology China Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Urban Investment Holding Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC-SFRE Heavy Industry Equipment Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC (Guizhou) Construction Investment China Development Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Road&Bridge Construction Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises
China Metallurgical Construction Engineering Group Co., Ltd.	15%	15%	Tax incentives for the Western Development Program and weighted deduction for research and development expenses
MCC South China Construction Engineering Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Cash on hand	5,883	5,045
Bank deposits	51,418,746	49,974,504
Other monetary funds	1,632,860	2,579,302
Total	53,057,489	52,558,851
Including: Total amount deposited overseas	3,688,920	2,686,684

As at 30 June 2025, restricted cash and bank balances of the Group were RMB7,710,508,000 (as at 31 December 2024: RMB9,368,247,000) (Note VII, 24) which mainly included bank deposits for issuing acceptances, 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 30 June 2025, 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% (31 December 2024: less than 2%).

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Notes receivable

(1) Category of notes receivable

RMB'000

Item	30 June 2025 (unaudited)			31 December 2024		
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount
Bank acceptances	2,042,944	15,266	2,027,678	1,874,447	10,793	1,863,654
Commercial acceptances	3,396,700	59,279	3,337,421	3,041,744	59,347	2,982,397
Total	5,439,644	74,545	5,365,099	4,916,191	70,140	4,846,051

(2) Pledged notes receivable

RMB'000

Item	30 June 2025 (unaudited)
Bank acceptances	34,722
Total	34,722

(3) Notes receivable endorsed or discounted but not yet due at the balance sheet date

RMB'000

Item	30 June 2025 (unaudited)	
	Derecognised	Not derecognised
Bank acceptances	—	1,259,325
Commercial acceptances	—	1,554,295
Total	—	2,813,620

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Notes receivable (Continued)

(4) Changes in credit loss allowance for notes receivable

RMB'000

Item	31 December 2024	Provision	Reversal	30 June 2025 (unaudited)
Credit loss allowance for bank acceptances	10,793	15,266	(10,793)	15,266
Credit loss allowance for commercial acceptances	59,347	59,236	(59,304)	59,279
Total	70,140	74,502	(70,097)	74,545

3. Accounts receivable

(1) Disclosure by aging

The Group's accounts receivable mainly consist of receivables from engineering contracting business, for which the aging analysis is as follows:

RMB'000

Aging	30 June 2025 (unaudited)	31 December 2024
Within 1 year	161,250,180	156,691,694
1 to 2 years	46,793,452	39,475,287
2 to 3 years	12,995,799	14,596,663
3 to 4 years	10,453,929	10,052,992
4 to 5 years	6,282,234	5,167,408
Over 5 years	15,393,305	14,606,851
Total gross carrying amount	253,168,899	240,590,895
Less: Credit loss allowance	28,678,435	27,077,170
Carrying amount	224,490,464	213,513,725

Settlement of accounts receivable 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 issuing the billing of construction service.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2) Disclosure of methods for determining credit loss allowance by category

RMB'000

Category	30 June 2025 (unaudited)				Carrying amount
	Gross carrying amount		Credit loss allowance		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Accounts receivable for which credit loss allowance are individually assessed(a)	29,785,155	11.76	12,127,115	40.72	17,658,040
Accounts receivable for which credit loss allowance are collectively assessed on credit risk characteristics(b)	223,383,744	88.24	16,551,320	7.41	206,832,424
Total	253,168,899	100.00	28,678,435	/	224,490,464

RMB'000

Category	31 December 2024				
	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Accounts receivable for which credit loss allowance are individually assessed(a)	30,892,594	12.84	11,948,385	38.68	18,944,209
Accounts receivable for which credit loss allowance are collectively assessed on credit risk characteristics	209,698,301	87.16	15,128,785	7.21	194,569,516
Total	240,590,895	100.00	27,077,170	/	213,513,725

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2) Disclosure of methods for determining credit loss allowance by category (Continued)

(a) Accounts receivable for which credit loss allowance are assessed on an individual basis at the end of the period

RMB'000

Name	30 June 2025 (unaudited)			Reasons
	Gross carrying amount	Credit loss allowance	Proportion of provision (%)	
Party 1	1,734,240	—	—	The Group considered the reasonable and supported information related to other party (including forward-looking information), then evaluated the expected credit losses and made credit loss allowance.
Party 2	1,575,669	566,940	35.98	
Party 3	730,632	131,096	17.94	
Others	25,744,614	11,429,079	44.39	
Total	29,785,155	12,127,115	40.72	/

Note: For the evaluation on Party 1's expected credit losses, please refer to Note VII, 8.(4).

(b) Accounts receivable for which credit loss allowance are collectively assessed on credit risk characteristics at the end of the period

RMB'000

Aging	30 June 2025 (unaudited)		
	Gross carrying amount	Credit loss allowance	Proportion of provision (%)
Within 1 year	155,756,524	3,677,263	2.36
1 to 2 years	44,052,225	2,849,534	6.47
2 to 3 years	10,493,841	1,763,492	16.81
3 to 4 years	5,210,177	1,751,017	33.61
4 to 5 years	2,560,510	1,422,963	55.57
Over 5 years	5,310,467	5,087,051	95.79
Total	223,383,744	16,551,320	7.41

The Group considers the aging factor and groups accounts receivable accordingly. The Group determines the expected credit loss and credit loss allowance based on the historical experience of credit losses.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(3) Changes in credit loss allowance of accounts receivable

RMB'000

Item	31 December 2024	Provision	Reversal	Write-off	Other changes	30 June 2025 (unaudited)
Credit loss allowance	27,077,170	2,289,393	(629,212)	(1,045)	(57,871)	28,678,435

The actual write-off amount during the period is RMB1,045,000.

(4) The five largest accounts receivable, contract assets, other non-current assets and long-term receivables collected by arrears at 30 June 2025 (unaudited):

RMB'000

Name	Balance of accounts receivable as at 30 June 2025	Balance of contract assets as at 30 June 2025	Balance of other non-current assets as at 30 June 2025	Balance of long-term receivables as at 30 June 2025	Total balance of accounts receivable, contract assets, other non-current assets and long-term receivables as at 30 June 2025	As a percentage of total closing balance of accounts receivable, contract assets, other non-current assets and long-term receivables (%)	Total balance of credit loss allowance of accounts receivable and long-term receivables, provision for impairment of contract assets and other non-current assets as at 30 June 2025
Party 1	2,681,955	2,968,631	282,191	2,440,297	8,373,074	1.52	559,072
Party 2	3,002,282	2,855,403	13,615	269,521	6,140,821	1.11	257,672
Party 3	1,734,240	4,134,273	–	–	5,868,513	1.06	–
Party 4	534,816	1,394,862	19,190	2,354,902	4,303,770	0.78	134,254
Party 5	2,105,002	582,218	111,313	–	2,798,533	0.51	75,037
Total	10,058,295	11,935,387	426,309	5,064,720	27,484,711	4.98	1,026,035

For the six months ended 30 June 2025, the Group derecognised trade receivables of RMB10,771,073,000 due to transfer of financial assets and recognised investment losses from derecognition of financial assets, amounting to RMB256,644,000. As at June 30, 2025, the Group had no assets or liabilities arising from continuing involvement in the transferred trade receivables.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Receivables financing

(1) Category of receivables financing

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Bank acceptances	6,697,750	5,906,055
Other credit instruments at FVTOCI	3,170,174	2,690,998
Total	9,867,924	8,597,053

The Group recognises impairment provision for receivables financing on the basis of the expected credit loss. For the six months ended 30 June 2025, there was no significant credit risk in receivables financing upon evaluation. Therefore, the Group didn't make provision for credit impairment loss of receivables financing.

(2) Pledged receivables financing

RMB'000

Item	30 June 2025 (unaudited)
Bank acceptances	982,276
Total	982,276

(3) Receivables financing endorsed or discounted but not yet due at the balance sheet date

RMB'000

Item	30 June 2025 (unaudited)		31 December 2024	
	Derecognised	Not-derecognised	Derecognised	Not-derecognised
Bank acceptances	8,027,852	—	12,216,298	—
Other credit instruments at FVTOCI	1,568,342	—	5,352,089	—
Total	9,596,194	—	17,568,387	—

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Prepayments

(1) Analysis by aging

RMB'000

Aging	30 June 2025 (unaudited)		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	16,070,531	76.22	17,351,284	76.12
1 to 2 years	2,626,334	12.46	2,445,316	10.73
2 to 3 years	981,596	4.66	1,545,328	6.78
Over 3 years	1,406,986	6.66	1,451,406	6.37
Total	21,085,447	100.00	22,793,334	100.00

As at 30 June 2025, prepayments aged over one year were RMB5,014,916,000 (as at 31 December 2024: RMB5,442,050,000), mainly including prepaid construction payments and payments for goods to sub-contractors.

(2) Top five closing balances of prepayments categorised by suppliers

RMB'000

Name	Relationship with the Group	30 June 2025 (unaudited)	As a percentage of total prepayments (%)
Party 1	Third party	759,938	3.60
Party 2	Third party	241,955	1.15
Party 3	Third party	194,490	0.92
Party 4	Third party	162,642	0.77
Party 5	Third party	156,330	0.75
Total	/	1,515,355	7.19

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables

(1) Category of other receivables

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Dividends receivable	99,148	150,985
Other receivables	38,902,430	42,046,072
Total	39,001,578	42,197,057

(2) Dividends receivable

RMB'000

Investee	30 June 2025 (unaudited)	31 December 2024
Hebei Steel Luan County Sijiaiyang Iron Ore Co., Ltd.	60,315	111,605
Beijing New Century Hotel Co., Ltd	20,210	20,210
Tianjin MCC Heyuan Real Estate Co., Ltd.	17,096	17,096
Anhui Zhongju Assembly Technology Co., Ltd.	858	88
Hebei Xiongan Zhi Tong Technology Co., LTD.	369	1,986
Tangshan Caofeidian Twenty-two Metallurgical Engineering Technology Co., Ltd.	300	–
Total	99,148	150,985

As at 30 June 2025, dividends receivable aged over one year were RMB37,394,000 (as at 31 December 2024: RMB37,306,000).

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(3) Other receivables

(a) Disclosure by aging

RMB'000

Aging	30 June 2025 (unaudited)	31 December 2024
Within 1 year	15,385,204	18,486,766
1 to 2 years	5,611,333	5,974,338
2 to 3 years	5,797,482	5,085,629
3 to 4 years	7,351,282	7,121,799
4 to 5 years	2,681,163	3,549,818
Over 5 years	12,914,002	12,476,253
Total gross carrying amount	49,740,466	52,694,603
Less: Credit loss allowance	10,838,036	10,648,531
Carrying amount	38,902,430	42,046,072

(b) Other receivables categorised by nature

RMB'000

Nature	Gross carrying amount at 30 June 2025 (unaudited)	Gross carrying amount at 31 December 2024
Deposits and guarantees	18,030,307	19,318,422
Advances	12,453,596	10,765,765
Borrowings and current accounts	11,406,981	14,228,738
Payments to be recovered for equity transfer and investment	1,526,321	1,547,523
Reserves	49,203	137,257
Others	6,274,058	6,696,898
Total	49,740,466	52,694,603

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(3) Other receivables (Continued)

(c) Disclosure of methods for determining credit loss allowance by category

30 June 2025 (unaudited)

RMB'000

Category	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of allowance (%)	
Credit loss allowance assessed individually	22,447,535	45.13	6,340,185	28.24	16,107,350
Credit loss allowance collectively assessed on a portfolio basis and credit risk characteristics	27,292,931	54.87	4,497,851	16.48	22,795,080
Total	49,740,466	100.00	10,838,036	/	38,902,430

31 December 2024

RMB'000

Category	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of allowance (%)	
Credit loss allowance assessed individually	26,519,387	50.33	5,994,358	22.60	20,525,029
Credit loss allowance collectively assessed on a portfolio basis and credit risk characteristics	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

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(3) Other receivables (Continued)

(c) Disclosure of methods for determining credit loss allowance by category (Continued)

Other receivables for which credit loss allowance are assessed on an individual basis are as follows:

RMB'000

Name	30 June 2025 (unaudited)			Reasons
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)	
Party 1	2,334,334	23,343	1.00	The Group assesses expected credit losses and recognises credit loss allowance by considering all reasonable and supportable information (including forward-looking information) available in relation to the counterparty.
Party 2	1,965,504	257,127	13.08	
Party 3	1,878,947	859,947	45.77	
Party 4	1,254,085	67,863	5.41	
Others	15,014,665	5,131,905	34.18	
Total	22,447,535	6,340,185	28.24	/

As at 30 June 2025, other receivables for which credit loss allowance are collectively assessed on a portfolio basis are as follows(unaudited):

RMB'000

Aging	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)
Within 1 year	12,102,387	468,191	3.87
1 to 2 years	3,931,147	289,760	7.37
2 to 3 years	3,991,316	489,176	12.26
3 to 4 years	2,620,861	365,761	13.96
4 to 5 years	1,638,976	581,188	35.46
Over 5 years	3,008,244	2,303,775	76.58
Total	27,292,931	4,497,851	16.48

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(3) Other receivables (Continued)

(d) Changes in credit loss allowance for other receivables

For the six-month period ended 30 June 2025

RMB'000

Item	Stage 1 12-month ECL	Stage 2 Lifetime ECL (not credit- impaired)	Stage 3 Lifetime ECL (credit- impaired)	Total
Credit loss allowance at 31 December 2024	1,359,353	3,289,034	6,000,144	10,648,531
Transfer of opening balance for the period	(195,339)	145,325	50,014	—
Provision for the period	281,741	207,523	204,767	694,031
Reversal for the period	(122,878)	(108,529)	(270,441)	(501,848)
Other changes	(4,276)	1,811	(213)	(2,678)
Credit loss allowance at 30 June 2025 (unaudited)	1,318,601	3,535,164	5,984,271	10,838,036

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(3) Other receivables (Continued)

(e) As at 30 June 2025, the top five balances of other receivables categorised by debtor at the end of the current period (unaudited)

RMB'000

Name	Relationship with the Group	Nature of the amount	Aging	30 June 2025	Credit loss allowance	Proportion to total closing balance of other receivables (%)
Party 1	Joint ventures	Related party borrowings, current accounts	Within 1 year, 1 to 4 years	2,334,334	23,343	4.69
Party 2	Third party	Government compensation for policy-based relocation	within 1 year, 1 to 2 years, 3 to 5 years	1,965,504	257,127	3.95
Party 3	Associates	Related party borrowings, advances and guarantees	Within 1 year, 2 to 5 years	1,879,097	859,950	3.78
Party 4	Joint ventures	Related party borrowings, advances	Within 1 year, 1 to 4 years	1,254,085	67,863	2.52
Party 5	Third party	Guarantees	3 to 4 years, over 5 years	1,213,000	57,589	2.44
Total	/	/	/	8,646,020	1,265,872	17.38

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1) Classification of inventories

RMB'000

Item	30 June 2025 (unaudited)			31 December 2024		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	2,478,757	25,852	2,452,905	2,023,906	25,376	1,998,530
Purchased materials	42,679	10	42,669	41,761	10	41,751
Materials on consignment for further processing	8,122	—	8,122	6,158	—	6,158
Work in progress	2,486,404	342,470	2,143,934	2,503,517	373,881	2,129,636
Goods on hand	2,640,963	121,564	2,519,399	2,380,046	111,646	2,268,400
Reusable materials	429,143	1,200	427,943	436,320	1,211	435,109
Costs to fulfil a contract	74,811	—	74,811	85,617	—	85,617
Costs of properties under development (a)	35,477,498	321,440	35,156,058	37,203,220	485,834	36,717,386
Completed properties held for sale (b)	32,372,073	3,079,960	29,292,113	34,296,303	2,385,756	31,910,547
Total	76,010,450	3,892,496	72,117,954	78,976,848	3,383,714	75,593,134

(a) Details of costs of properties under development

RMB'000

Item	Project commencement date	Estimated latest completion date	Estimated total investment amount	Gross carrying amount at 31 December 2024	Gross carrying amount at 30 June 2025 (unaudited)
Nanjing Xiaguan Riverside	2011-01-01	2025-12-31	20,998,039	6,137,131	6,312,361
MCC Xinglong New City Hongshijun	2017-12-20	2027-12-31	8,812,613	4,283,860	4,389,886
Tiantai Road (Yangqiao Street)	2017-04-30	2025-12-30	7,408,770	2,883,191	2,882,154
Yanjiao Headquarters Base	2019-10-31	2025-09-30	3,278,780	2,261,179	2,298,857
Nanjing Yuhuatai District G35 Project	2021-11-01	2026-12-31	4,409,273	1,962,248	2,034,458
Baotou Dexian Mansion, Huafu	2021-01-28	2026-12-31	4,842,990	1,478,854	1,554,564
Shijiazhuang MCC Dexian Mansion	2021-08-29	2027-12-31	4,930,980	1,293,403	1,181,989
Qin Hai Yun Villa	2011-08-08	2025-12-31	4,400,000	1,098,226	1,138,570

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(1) Classification of inventories (Continued)

(a) Details of costs of properties under development (Continued)

RMB'000

Item	Project commencement date	Estimated latest completion date	Estimated total investment amount	Gross carrying amount at 31 December 2024	Gross carrying amount at 30 June 2025 (unaudited)
MCC Changyuanli	2022-07-01	2028-12-01	3,629,774	1,064,779	1,100,670
Changchengshili Spring Breeze Town	2018-03-03	2026-12-31	2,500,000	1,171,273	1,087,012
Qinhuangdao Yunding Dexian New City Project I	2018-12-31	2028-03-21	2,666,337	983,410	966,612
Tangshan MCC Dexian Mansion	2022-03-15	2027-12-31	3,772,290	757,922	799,817
Hebei Qinhuangdao Yudai Bay	2008-12-31	2025-12-31	3,675,070	710,264	799,310
Shijiazhuang Zhaotuo Park	2019-03-01	2025-12-31	5,441,540	777,433	789,195
Qinhuangdao Fanhua Dexian New City Project II	2018-12-31	2028-03-21	2,823,800	769,169	786,369
MCC II Ruyijing	2024-03-01	2026-09-30	1,089,930	658,829	759,510
Minmetals Mingda Center, Minmetals Mingxin Center, No. 33 Local	2021-04-30	2026-12-31	2,170,647	740,539	750,925
Meiyuan Park	2020-12-27	2027-12-31	2,287,562	448,685	646,866
Qinhuangdao Dexian New Town Area 1	2023-07-14	2025-12-15	951,610	533,576	647,478
Land reserve	–	–	573,708	573,708	573,708
Qinhuangdao Dexian New Town Area 6	2024-03-01	2035-12-31	1,366,614	491,650	501,187
MCC Tongluo Town	2014-11-01	2026-12-31	5,523,340	1,672,876	497,828
MCC Famous City	2022-03-10	2026-09-30	1,690,120	444,624	456,827
Wuhan, Hubei Province – MCC Painting & Calligraphy Mingyuan	2023-06-30	2026-06-30	640,000	417,383	445,241
Qianhai MCC Technology Building	2019-10-10	2025-07-31	436,410	372,156	374,826
Others	/	/	48,619,368	3,216,852	1,701,278
Total	/	/	148,939,565	37,203,220	35,477,498

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(1) Categories of inventories (Continued)

(b) Details of the completed properties held for sale

RMB'000

Item	Latest project completion date	Gross carrying amount at 31 December 2024	Increase for the period	Decrease for the period	Gross carrying amount at 30 June 2025 (unaudited)
Guangzhou Wanbao	2023-06-30	5,007,520	–	33,021	4,974,499
Guangzhou Changling Residence	2021-05-31	2,728,683	63,046	109,484	2,682,245
Hengqin Port Base Project	2019-11-08	1,887,907	–	15,094	1,872,813
Qingdao MCC Dexian Mansion	2024-06-30	2,009,905	–	165,810	1,844,095
Zhongye Yijing Mansion	2022-04-13	1,625,072	2,012	185,994	1,441,090
Zhongjie Mansion	2025-06-01	–	1,284,341	–	1,284,341
MCC Qin Hai Yun Villa	2022-06-23	1,283,420	–	20,313	1,263,107
Shijiazhuang MCC Dexian Mansion	2024-12-31	1,044,786	200,125	131,457	1,113,454
Nanjing Yuhuatai District G35 Project	2024-10-31	1,086,118	–	117,783	968,335
Hebei Xiongan Mingzhuo Project	2025-05-06	1,027,770	336,538	502,083	862,225
Beijing Dexian Mansion- high-rise residence	2023-12-29	915,618	–	59,462	856,156
Nanjing Xiaguan Riverside	2021-09-26	933,063	–	193,986	739,077
Shijiazhuang Zhaotuo Park	2022-12-31	743,901	–	60,491	683,410
MCC Baizhishan International Holiday Park (Phase I)	2024-06-30	692,087	–	35,460	656,627
Baotou Dexian Mansion	2023-06-30	743,149	5	144,240	598,914
Hangzhou Cuiyuan Project	2023-06-30	1,719,006	38,495	1,170,298	587,203
Tianjin Xinbadali District Qixianli Project	2019-06-26	589,411	–	4,718	584,693
MCC Xinglong New City Hongshijun	2021-11-02	575,329	–	3,592	571,737
Tangshan MCC Dexian Mansion	2024-07-20	665,215	–	126,426	538,789
Luanping Guanhu Phase I Project	2022-08-04	526,805	–	–	526,805
MCC Famous City Community	2024-09-30	551,530	–	35,896	515,634
Chun Hua Qiu Shi Project	2024-12-31	598,014	–	133,542	464,472
Tianjin Dexian Mansion	2022-03-31	508,896	1,042	78,235	431,703
Hong Kong Tsuen Wan Qinglongtou Yijing Longwan	2020-10-06	471,894	–	69,506	402,388

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(1) Categories of inventories (Continued)

(b) Details of the completed properties held for sale (Continued)

RMB'000

Item	Latest project completion date	Gross carrying amount at 31 December 2024	Increase for the period	Decrease for the period	Gross carrying amount at 30 June 2025 (unaudited)
MCC Riverside International City					
Phase I	2015-12-18	403,232	293	15,743	387,782
Changchengshili Spring Breeze Town	2025-01-26	291,107	112,259	37,978	365,388
Meiyuan Park	2024-08-01	539,519	–	186,382	353,137
MCC TongLuo Town	2024-04-28	379,852	86,444	122,530	343,766
Shijiazhuang MCC Dexian Mansion					
Project	2019-06-18	332,899	226	3,544	329,581
MCC Changyuanli	2028-12-01	436,684	–	119,493	317,191
Baotou MCC Campus South Road					
Community Project	2022-06-02	323,265	16,520	38,289	301,496
Jiugong Town Green Belt Plot A1	2017-10-31	251,201	–	30,178	221,023
Others	/	3,403,445	236,029	350,577	3,288,897
Total	/	34,296,303	2,377,375	4,301,605	32,372,073

Note: As at 30 June 2025, the total borrowing costs capitalised included in costs of properties under development and completed properties held for sale were RMB8,763,207,000 (as at 31 December 2024: RMB8,438,822,000). For the six months ended 30 June 2025, the total borrowing costs capitalised were RMB473,922,000 (for the six months ended 30 June 2024: RMB290,754,000). The capitalisation rates for determining the capitalised amount of borrowing costs were 2.75% – 5.89% (for the six months ended 30 June 2024: 2.75% -5.89%).

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(2) Provision for decline in value of inventories

RMB'000

Item	31 December 2024	Increase for the period		Decrease for the period			30 June 2025 (unaudited)
		Provision for the period	Others	Reversal for the period	Transferred- out for the period	Others	
Raw materials	25,376	943	–	–	467	–	25,852
Purchased materials	10	–	–	–	–	–	10
Work in progress	373,881	–	–	–	31,411	–	342,470
Goods on hand	111,646	28,948	–	–	19,030	–	121,564
Reusable materials	1,211	–	–	11	–	–	1,200
Costs of properties under development	485,834	74,067	–	–	–	238,461	321,440
Completed properties held for sale	2,385,756	568,819	238,461	–	111,816	1,260	3,079,960
Total	3,383,714	672,777	238,461	11	162,724	239,721	3,892,496

8. Contract assets

(1) Classification of contract assets

RMB'000

Item	30 June 2025 (unaudited)			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Contract assets interrelated with engineering contracting services	198,130,777	6,844,786	191,285,991	159,879,413	5,902,058	153,977,355
Contract assets interrelated with quality guarantee deposit	3,108,109	224,826	2,883,283	2,529,922	215,708	2,314,214
Total	201,238,886	7,069,612	194,169,274	162,409,335	6,117,766	156,291,569

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(1) Classification of contract assets (Continued)

The engineering contracting services provided by the Group normally constitute the single performance obligation, which require to be fulfilled in a certain period. The Group shall determine the implementation progress according to the proportion of actual cost in estimated total cost (cost method). Engineering contracting services require regular settlement with the client, and the related contract consideration vests the Group the right to charge the consideration, which will be listed on receivables, to the client unconditionally after the completion of settlement. Under normal circumstances, there are some timing differences between the implementation progress and the settlement progress in engineering contracting. As at 30 June 2025, implementation progress of part of contracts exceeded the settlement progress, thus forming related contract assets, which shall be transferred into receivables after the completion of settlement.

For the engineering quality deposit arising from the settlement of engineering contracting services provided by the Group, the Group has the right to receive the consideration unconditionally from the customer upon the expiration of the guarantee period with no significant quality issues occurred therein. Such deposit constituted contract assets and other non-current assets and was transferred into receivables under the condition mentioned above.

(2) Disclosure of methods for determining provision for impairment by category

RMB'000

Category	30 June 2025 (unaudited)				Carrying amount
	Gross carrying amount		Provision for impairment		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for impairment provided on an individual basis (a)	12,711,439	6.32	2,270,326	17.86	10,441,113
Provision for impairment for a portfolio of credit risk characteristics (b)	188,527,447	93.68	4,799,286	2.55	183,728,161
Total	201,238,886	100.00	7,069,612	/	194,169,274

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(2) Disclosure of methods for determining provision for impairment by category (Continued)

RMB'000

Category	Gross carrying amount		31 December 2024 Provision for impairment		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for impairment provided on an individual basis (a)	12,398,013	7.63	2,467,078	19.90	9,930,935
Provision for impairment for a portfolio of credit risk characteristics	150,011,322	92.37	3,650,688	2.43	146,360,634
Total	162,409,335	100.00	6,117,766	/	156,291,569

(a) Contract assets for which provision for impairment is made individually at the end of the period are as follows:

RMB'000

	30 June 2025 (unaudited)			Reasons
	Gross carrying amount	Provision for impairment	Proportion of provision (%)	
Item 1	4,134,273	—	—	The Group assesses expected credit losses and recognises provision for impairment by considering all reasonable and supportable information (including forward-looking information) available in relation to the counterparty.
Others	8,577,166	2,270,326	26.47	
Total	12,711,439	2,270,326	17.86	/

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(2) Disclosure of methods for determining provision for impairment by category (Continued)

(b) Contract assets for which provision for impairment is collectively assessed on a portfolio basis and credit risk characteristics at the end of the current period are as follows (unaudited):

RMB'000

	Gross carrying amount	Provision for impairment	Proportion of provision (%)
Within 1 year	138,076,330	2,613,072	1.89
1 to 2 years	31,325,065	873,820	2.79
2 to 3 years	11,562,831	403,493	3.49
3 to 4 years	4,294,920	248,715	5.79
4 to 5 years	1,206,754	218,450	18.10
Over 5 years	2,061,547	441,736	21.43
Total	188,527,447	4,799,286	2.55

(3) Changes in provision for impairment of contract assets

RMB'000

Item	31 December 2024	Provision for the period	Reversal for the period	Other changes	30 June 2025 (unaudited)
Provision for impairment of assets	6,117,766	2,132,063	(1,152,117)	(28,100)	7,069,612

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (Continued)

(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 extreme weather conditions 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 recognised 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 undertaken by Western Australia were completed and put into operation. Western Australia and Sino Iron Pty Ltd. ("the Owner", 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 and related construction work of the project to the Owner 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 were completed. For the third to sixth production lines of the project, Western Australia and Northern Engineering & Technology Corporation, a subsidiary of the Company, have entered into the Project Management Service Agreement and Engineering Design and Equipment Procurement Management Technology Service Agreement, respectively, with the Owner for the provision of follow-up technology management services. In addition, both parties 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 of the delay. Based on the final result of the audit, the two parties will make final settlement of the project.

The Group assessed the accounts receivable (Note VII, 3. (2)(a)) 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 recognised no additional contract losses as at 30 June 2025.

On 30 June 2025, the accounts receivable for the above items amounted to RMB1,734,240,000, and the contract assets of the project mentioned above amounted to RMB4,134,273,000. After the completion of the audit mentioned above, the Group will actively follow up with CITIC Group and the Owner for negotiation and discussion in reaching the final agreed project construction costs and make relevant accounting treatments accordingly.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Non-current assets due within one year

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Long-term receivables due within 1 year (Note VII, 11)	12,418,215	11,716,139
Total	12,418,215	11,716,139

10. Other current assets

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Input VAT to be deducted	7,914,116	8,312,461
Prepaid tax	2,993,463	2,586,146
Debt-expiated assets	714,984	758,880
Total	11,622,563	11,657,487

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term receivables

(1) Classification of long-term receivables

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024	Discount rate range
Long-term receivables on project	66,885,269	62,753,639	3.10%-5.00%
Long-term loans	4,681,353	5,556,732	3.60%
Receivables on disposal of equity investments	333,485	333,485	4.90%
Others	470,060	487,337	5.05%
Total gross carrying amount	72,370,167	69,131,193	/
Less: Credit loss allowance of long-term receivables	3,104,556	2,995,239	/
Total net book value	69,265,611	66,135,954	/
Less: Long-term receivables due within one year, net (Note VII, 9)	12,418,215	11,716,139	/
Long-term receivables due over 1 year, net	56,847,396	54,419,815	/

(2) Movement of credit loss allowance for long-term receivables

For the six-month period ended 30 June 2025, changes in credit loss allowance based on the 12-month expected credit losses and expected lifetime credit losses on long-term receivables are as follows:

RMB'000

Item	Stage 1 12-month ECL	Stage 2 Lifetime ECL (not credit- impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Credit loss allowance at 31 December 2024	1,206,923	710,443	1,077,873	2,995,239
Transfer of opening balance for the period	(20,932)	20,932	—	—
Provision for the period	373,051	56,351	82,252	511,654
Reversal for the period	(219,856)	(76,246)	(166,807)	(462,909)
Other transfer-in	1,257	59,315	—	60,572
Credit loss allowance at 30 June 2025 (unaudited)	1,340,443	770,795	993,318	3,104,556

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term equity investments

For the six-month period ended 30 June 2025

RMB'000

Investee	Gross carrying amount at 31 December 2024	Changes for the period							Gross carrying amount at 30 June 2025 (unaudited)	Balance of provision for impairment at 30 June 2025 (unaudited)
		Increase in investment	Decrease in investment	Investment profit or loss recognised under equity method	Other comprehensive income adjustments	Cash dividends or profit declared	Changes in scope of consolidation	Others		
Joint ventures										
Guizhou Ziwang Highway Construction Co., Ltd.	1,591,252	-	-	(288)	-	-	-	-	1,590,964	-
Guizhou Sanli Highway Construction Co., Ltd.	1,562,030	-	-	3,174	-	-	-	-	1,565,204	-
Guizhou Sanshi Highway Construction Co., Ltd.	889,064	-	-	1,514	-	-	-	-	890,578	-
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	648,987	-	-	(27,195)	-	-	-	-	621,792	-
Chongqing-Hunan Double-track Highway Co., Ltd.	644,480	-	-	-	-	-	-	-	644,480	-
Sichuan Development MCC Construction Investment Co., Ltd.	388,421	-	-	5,179	-	-	-	-	393,600	-
Shiyan Baoye Urban Construction Co., Ltd.	307,721	-	-	-	-	-	-	-	307,721	-
Zhongshan Xiangshan Avenue Integrated Pipe Network Technology Co., Ltd.	279,123	-	-	(9,359)	-	-	-	-	269,764	-
Yinchuan Huaiyuan Road Integrated Pipe Network Construction and Management Co., Ltd.	245,822	-	-	169	-	-	-	-	245,991	-
Ningguo Hechuang Yongning Urban Operation Management Co., Ltd.	230,069	-	-	10,392	-	-	-	-	240,461	-
Huanggang Lianlu Water Service Co., Ltd.	226,941	-	-	(1,323)	-	-	-	-	225,618	-
Others	3,565,584	104,838	-	20,575	-	332	(300)	-	3,691,029	219,720
Subtotal	10,579,494	104,838	-	2,838	-	332	(300)	-	10,687,202	219,720

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term equity investments (Continued)

For the six-month period ended 30 June 2025 (Continued)

RMB'000

Investee	Gross carrying amount at 31 December 2024	Changes for the period								Gross carrying amount at 30 June 2025 (unaudited)	Balance of provision for impairment at 30 June 2025 (unaudited)
		Increase in investment	Decrease in investment	Investment profit or loss recognised under equity method	Other comprehensive income adjustments	Other equity changes	Cash dividends or profit declared	Changes in scope of consolidation	Others		
Associates											
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	1,109,210	-	-	1,990	-	-	-	-	-	1,111,200	-
Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	1,058,371	-	-	3	-	-	-	-	-	1,058,374	-
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	1,000,560	988,036	-	-	-	-	-	-	-	1,988,596	-
Chongqing Yunkai Expressway Co., Ltd.	906,379	-	-	-	-	-	-	-	-	906,379	-
Beijing City Vice-Center Investment Fund Partnership (Limited Partnership)	874,846	-	-	(10,103)	-	-	-	-	-	864,743	-
Shijiazhuang Hengxi Highway Construction Management Co., Ltd.	760,259	-	-	147	-	-	-	-	-	760,406	-
Tangshan Stainless Steel Co., Ltd.	666,062	-	-	457	-	(66)	-	-	-	666,453	-
Xiongan Xiongshang Real Estate Co., Ltd.	604,105	-	-	5	-	-	-	-	-	604,110	-
Hebei Steel Luan County Sijiyang Iron Ore Co., Ltd.	575,543	-	-	55,438	-	536	-	-	-	631,517	-
MCC Baoding Development and Construction Co., Ltd.	575,131	-	-	(126)	-	-	-	-	-	575,005	-
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	559,408	-	-	17,172	-	-	-	-	-	576,580	-
Xiong'an Xiongshang Financial Island Development Co., Ltd.	-	495,287	-	(38)	-	-	-	-	-	495,249	-
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	407,728	-	-	-	-	-	-	-	-	407,728	-
Hunan Chachang Expressway Construction and Development Co., Ltd.	369,014	-	-	(10,526)	-	-	-	-	-	358,488	-
Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	359,899	-	-	16	-	-	-	-	-	359,915	-
Guangzhou Chengtuo Airport Exhibition Investment Development Co., Ltd.	349,944	450	-	-	-	-	-	-	-	350,394	-
Gansu Gonghanglv Tongding Expressway Management Co., Ltd.	348,440	-	-	(106)	-	-	-	-	-	348,334	-
Handan Jinrong Development and Construction Co., Ltd.	325,804	-	-	(508)	-	-	-	-	-	325,296	-
Jiangxi Xingang Southern New Materials Co., Ltd.	316,552	-	-	6,764	-	-	-	-	-	323,316	-
Tianjin Shenghe Real Estate Co., Ltd.	310,000	-	-	-	-	-	-	-	-	310,000	-
Gansu Jingli Expressway Longnan Management Co., Ltd.	300,266	-	-	1	-	-	-	-	-	300,267	-
Others	16,141,440	1,453,041	(34,960)	(117,875)	(2,689)	6,010	(15,780)	-	7,107	17,436,294	199,975
Subtotal	27,918,961	2,936,814	(34,960)	(57,289)	(2,689)	6,480	(15,780)	-	7,107	30,758,644	199,975
Total	38,498,455	3,041,652	(34,960)	(54,451)	(2,689)	6,812	(16,080)	-	7,107	41,445,846	419,695

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term equity investments (Continued)

Details of provision for impairment of long-term equity investments:

RMB'000

Item	Balance of provision for impairment at 31 December 2024	Increase for the period	Decrease for the period	Balance of provision for impairment at 30 June 2025 (unaudited)
I. Joint venture				
Tianjin Zhongji Equipment Manufacture Co., Ltd.	154,830	—	—	154,830
Ningcheng Hongda Mining Co., Ltd.	64,890	—	—	64,890
Subtotal	219,720	—	—	219,720
II. Associates				
Tianjin Seri Machinery Equipment Corporation Ltd.	98,855	—	—	98,855
MCC Jingcheng (Xiangtan) Heavy Industry Equipment Co., Ltd.	54,433	—	—	54,433
Inner Mongolia MCC Debang Real Estate Co., Ltd.	23,168	—	—	23,168
MCC Xiangxi Mining Industry Co., Ltd.	14,586	—	—	14,586
Others	8,933	—	—	8,933
Subtotal	199,975	—	—	199,975
Total	419,695	—	—	419,695

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Investment in other equity instruments

RMB'000

Item	Carrying amount at 30 June 2025 (unaudited)	Carrying amount at 31 December 2024	Cash dividends recognised for the six-month period ended 30 June 2025 (unaudited)
Investments in non-trading equity instruments			
Including: Stock investments of listed companies	475,835	453,506	14,394
Equity investments of unlisted companies	1,253,017	1,244,781	919
Total	1,728,852	1,698,287	15,313

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 FVTOCI. The method for determining the fair values of investments in other equity instruments can be found in Note XII.

RMB'000

Item	Gains or losses recognised in other comprehensive income for the period (unaudited)	Accumulated income/ (losses) recognised in other comprehensive income (unaudited)	Dividend income for the period (unaudited)	Reason for designation at fair value through other comprehensive income
Investments in non-trading equity instruments				
Including: Stock investments of listed companies	22,329	181,616	14,394	Non-trading
Equity investments of unlisted companies	(2,596)	(81,422)	919	Non-trading
Total	19,733	100,194	15,313	/

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Investment in other equity instruments (Continued)

Investments in other equity instruments derecognised in the period are as follows(unaudited):

RMB'000

Item	Fair value at derecognition	Accumulated gains transferred to retained earnings upon derecognition	Accumulated losses transferred to retained earnings upon derecognition	Reasons for derecognition
Investments in non-trading equity instruments				
Including: Stock investments of listed companies	–	–	–	/
Equity investments of unlisted companies	3,820	770	–	Disposal
Total	3,820	770	–	/

14. Other non-current financial assets

RMB'000

Item	Carrying amount at 30 June 2025 (unaudited)	Carrying amount at 31 December 2024
Financial assets at FVTPL		
Including: Investments in unlisted funds and trust products	4,423,747	4,577,849
Others	296,879	297,720
Total	4,720,626	4,875,569

Several subsidiaries of the Company were involved in structured entity arrangements. Relevant investments are measured at fair value through profit or loss. For further information, please refer to Note IX 4.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Investment properties

For the six months ended 30 June 2025 (unaudited) :

RMB'000

Item	Buildings	Land use rights	Total
Cost			
31 December 2024	9,822,469	658,134	10,480,603
Increase for the period	274,970	21,315	296,285
Transferred from inventories	–	21,315	21,315
Transferred from construction in progress	223,230	–	223,230
Changes in exchange rate	51,740	–	51,740
Decrease for the period	15,973	–	15,973
Disposal	15,774	–	15,774
Changes in exchange rate	199	–	199
30 June 2025	10,081,466	679,449	10,760,915
Accumulated depreciation and amortisation			
31 December 2024	1,738,607	216,665	1,955,272
Increase for the period	132,053	7,011	139,064
Charge for the period or amortisation	123,690	7,011	130,701
Changes in exchange rate	8,363	–	8,363
Decrease for the period	770	–	770
Disposal	742	–	742
Changes in exchange rate	28	–	28
30 June 2025	1,869,890	223,676	2,093,566
Provision for impairment			
31 December 2024	204,563	–	204,563
Increase for the period	–	–	–
Changes in exchange rate	–	–	–
Decrease for the period	55	–	55
Disposal	55	–	55
30 June 2025	204,508	–	204,508
Net book value			
30 June 2025	8,007,068	455,773	8,462,841
31 December 2024	7,879,299	441,469	8,320,768

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Investment properties (Continued)

As at 30 June 2025, Investment properties of which certificates of title have not been obtained are as follows(unaudited):

RMB'000

Item	Carrying amount	Reasons for title certificates outstanding
Buildings	300,578	In the process

16. Fixed assets

(1) Changes in fixed assets

For the six months ended 30 June 2025 (unaudited):

RMB'000

Item	Buildings	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
Cost					
31 December 2024	31,161,159	20,569,626	2,128,834	4,763,570	58,623,189
Increase for the period	395,215	328,507	44,532	125,398	893,652
Additions	62,813	221,280	41,930	111,194	437,217
Transfer from construction in progress	136,502	101,137	208	8,280	246,127
Transfer from inventories	184,125	–	–	–	184,125
Changes in exchange rate	11,775	6,090	2,394	5,924	26,183
Decrease for the period	277,937	680,997	123,028	78,176	1,160,138
Disposal or retirement	105,512	386,384	92,762	68,174	652,832
Changes in exchange rate	23,247	32,943	6,329	8,985	71,504
Disposals of subsidiaries	149,178	261,670	23,937	1,017	435,802
30 June 2025	31,278,437	20,217,136	2,050,338	4,810,792	58,356,703
Accumulated depreciation					
31 December 2024	10,500,657	13,991,796	1,431,927	2,537,721	28,462,101
Increase for the period	549,824	507,558	93,709	149,311	1,300,402
Charge for the period	545,726	503,858	92,619	145,950	1,288,153
Changes in exchange rate	4,098	3,700	1,090	3,361	12,249
Decrease for the period	164,159	579,067	104,176	18,022	865,424
Disposal or retirement	67,256	342,665	84,802	14,340	509,063
Changes in exchange rate	9,375	24,742	2,298	2,759	39,174
Disposals of subsidiaries	87,528	211,660	17,076	923	317,187
30 June 2025	10,886,322	13,920,287	1,421,460	2,669,010	28,897,079

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Fixed assets (Continued)

(1) Changes in fixed assets (Continued)

For the six months ended 30 June 2025 (unaudited): (Continued):

RMB'000

Item	Buildings	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
Provision for impairment					
31 December 2024	1,781,029	809,068	26,846	120,813	2,737,756
Decrease for the period	1,428	14,969	4,609	587	21,593
Disposal or retirement	396	13,452	4,559	105	18,512
Changes in exchange rate	1,032	1,517	50	482	3,081
30 June 2025	1,779,601	794,099	22,237	120,226	2,716,163
Net book value					
30 June 2025	18,612,514	5,502,750	606,641	2,021,556	26,743,461
31 December 2024	18,879,473	5,768,762	670,061	2,105,036	27,423,332

(2) Temporary idle fixed assets

As at 30 June 2025, temporary idle fixed assets are as follows(unaudited):

RMB'000

Item	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Remark
Buildings	202,800	44,904	146,345	11,551	Idle or seasonal suspension
Machinery and equipment	133,283	23,610	99,853	9,820	Idle or seasonal suspension
Office equipment and others	2,942	668	1,680	594	Idle or seasonal suspension

(3) Fixed assets under operating leases

RMB'000

Item	Carrying amount at 30 June 2025 (unaudited)
Machinery equipment and others	78,443

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Fixed assets (Continued)

(4) Fixed assets of which certificates of title have not been obtained

As at 30 June 2025, fixed assets of which certificates of title have not been obtained are as follows(unaudited):

RMB'000

Item	Carrying amount	Reasons for title certificates outstanding
Buildings	232,322	In progress

17. Construction in progress

(1) Classification of construction in progress

RMB'000

Category	30 June 2025 (unaudited)	31 December 2024
Construction in progress	5,874,685	5,432,730
Materials for construction of fixed assets	40,340	61,267
Total	5,915,025	5,493,997

(2) Construction in progress

(a) Items

RMB'000

Item	30 June 2025 (unaudited)			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Afghanistan Anak Project Copper Mine Construction Project	1,614,258	-	1,614,258	1,468,613	-	1,468,613
Hutchison Whampoa Heritage Buildings	1,115,611	-	1,115,611	1,115,611	-	1,115,611
Qianhai MCC Technology Building Project	971,317	-	971,317	944,229	-	944,229
Others	2,180,310	6,811	2,173,499	1,911,088	6,811	1,904,277
Total	5,881,496	6,811	5,874,685	5,439,541	6,811	5,432,730

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Construction in progress (Continued)

(2) Construction in progress (Continued)

(b) Changes of significant items of construction in progress

For the six months ended 30 June 2025 (unaudited)

RMB'000

Item	Budget amount	31 December 2024	Increase for the period	Transfer to fixed assets/ intangible assets	Other decrease for the period	30 June 2025	Cost incurred as a percentage of budgeted amount (%)	Accumulated capitalised borrowing costs	Including: Capitalised borrowing costs for the period	Rate of borrowing costs capitalised for the current period (%)	Sources of fund
Infrastructure Project of MCC JCL Anak Mining	23,847,800	1,468,613	152,463	-	(6,818)	1,614,258	6.77	31,737	-	-	Self-financing and loans from financial institutions
Hutchison Whampoa Heritage Buildings	1,300,000	1,115,611	-	-	-	1,115,611	85.82	119,940	-	-	Self-financing and loans from financial institutions
MCC Guangdong Shenzhen Qianhai Technology Building Project	996,337	944,229	27,088	-	-	971,317	97.49	316,922	10,619	3.48	Self-financing and loans from financial institutions
Others	12,008,971	1,911,088	801,481	(248,361)	(283,898)	2,180,310	-	15,212	1,181	/	/
Total	38,153,108	5,439,541	981,032	(248,361)	(290,716)	5,881,496	/	483,811	11,800	/	/

For the six-month period ended 30 June 2025, impairment allowance of construction in progress accrued by the Group was nil (for the six-month period ended 30 June 2024: nil). As at 30 June 2025, the Group's impairment allowance of construction in progress amounted to RMB6,811,000 (as at 31 December 2024: RMB6,811,000).

For the six-month period ended 30 June 2025, the amount transferred from other decreases in construction in progress to investment properties was RMB223,230,000.

(3) Materials for construction of fixed assets

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Materials	24,013	18,430
Equipment	15,969	42,572
Tools and instruments prepared for production	358	265
Total	40,340	61,267

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Right-of-use assets

For the six months ended 30 June 2025 (unaudited):

RMB'000

Item	Buildings	Transportation vehicles	Machinery and equipment	Others	Total
Cost					
31 December 2024	1,086,638	30,561	192,077	117,419	1,426,695
Increase for the period	185,705	348	354	53,940	240,347
New leases	184,596	348	350	49,087	234,381
Changes in exchange rate	1,109	–	4	4,853	5,966
Decrease for the period	139,332	877	32,137	35,596	207,942
Disposal	139,045	877	31,600	35,596	207,118
Changes in exchange rate	287	–	537	–	824
30 June 2025	1,133,011	30,032	160,294	135,763	1,459,100
Accumulated depreciation					
31 December 2024	568,636	30,045	187,275	72,828	858,784
Increase for the period	108,682	109	1,202	14,953	124,946
Charge for the period	107,633	109	1,199	10,593	119,534
Changes in exchange rate	1,049	–	3	4,360	5,412
Decrease for the period	101,650	529	31,946	20,633	154,758
Disposal	101,558	529	31,600	20,633	154,320
Changes in exchange rate	92	–	346	–	438
30 June 2025	575,668	29,625	156,531	67,148	828,972
Net book value					
30 June 2025	557,343	407	3,763	68,615	630,128
31 December 2024	518,002	516	4,802	44,591	567,911

For the six-month period ended 30 June 2025, 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 RMB585,665,000.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets

For the six months ended 30 June 2025 (unaudited):

RMB'000

Item	Land use rights	Mining rights	Franchise	Computer software	Trademark rights	Patent, proprietary technology and others	Total
Cost							
31 December 2024	8,211,201	4,161,433	29,581,531	1,182,841	270	677,893	43,815,169
Increase for the period	–	155,815	973,203	44,623	–	214	1,173,855
Purchase	–	65,972	973,203	42,389	–	15	1,081,579
Transfer from construction in progress	–	–	–	2,234	–	–	2,234
Changes in exchange rate	–	89,843	–	–	–	199	90,042
Decrease for the period	83,986	7,368	6,843	7,881	–	63	106,141
Disposal or retirement	38,383	–	6,843	7,688	–	18	52,932
Changes in exchange rate	303	7,368	–	55	–	45	7,771
Others	45,300	–	–	138	–	–	45,438
30 June 2025	8,127,215	4,309,880	30,547,891	1,219,583	270	678,044	44,882,883
Accumulated amortisation							
31 December 2024	2,242,254	64,255	4,474,638	819,294	270	179,586	7,780,297
Increase for the period	84,092	1,638	460,861	56,826	–	12,645	616,062
Charge for the period	84,092	1,638	460,861	56,826	–	12,613	616,030
Changes in exchange rate	–	–	–	–	–	32	32
Decrease for the period	25,932	44	6,055	7,860	–	269	40,160
Disposal or retirement	9,901	–	6,055	7,204	–	–	23,160
Changes in exchange rate	19	44	–	517	–	269	849
Others	16,012	–	–	139	–	–	16,151
30 June 2025	2,300,414	65,849	4,929,444	868,260	270	191,962	8,356,199
Provision for impairment							
31 December 2024	52,219	2,338,304	–	250	–	4,508	2,395,281
Increase for the period	–	89,843	704	–	–	–	90,547
Charge for the period	–	–	704	–	–	–	704
Changes in exchange rate	–	89,843	–	–	–	–	89,843
Decrease for the period	192	–	704	–	–	–	896
Disposal	–	–	704	–	–	–	704
Changes in exchange rate	192	–	–	–	–	–	192
30 June 2025	52,027	2,428,147	–	250	–	4,508	2,484,932
Carrying amount							
30 June 2025	5,774,774	1,815,884	25,618,447	351,073	–	481,574	34,041,752
31 December 2024	5,916,728	1,758,874	25,106,893	363,297	–	493,799	33,639,591

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets (Continued)

As at 30 June 2025, the percentage of the internally developed intangible assets of the total intangible assets of the Group was 0.01% (as at 31 December 2024: 0.003%).

As at 30 June 2025, the accumulated impairment provision for the Cape Lambert Iron Project intangible assets amounted to RMB2,407,647,000, including the provision for the decrease of exchange fluctuation of Australian dollars of RMB323,014,000. The related intangible assets belong to the featured business segment.

20. Goodwill

(1) Change of carrying amount in goodwill

RMB'000

Investee	31 December 2024	Changes	30 June 2025 (unaudited)
Chengdu Yexingrunda New Building Materials Co., Ltd.	1,162	—	1,162
Shanghai Jinmin Real Estate Co., Ltd.	6,483	—	6,483
Chengde Tiangong Architectural Design Co., Ltd.	33,460	—	33,460
China Metallurgical Construction Engineering Group Chongqing Heyuan Concrete Co., Ltd.	18,533	—	18,533
Beijing Tianrun Construction Co., Ltd.	5,142	—	5,142
MCC Minera Sierra Grande S. A.	12,715	(126)	12,589
Shanghai WuGang Equipment Engineering Co., Ltd.	1,114	—	1,114
Beijing HaiKe Real Estate Development Co., Ltd.	6,477	—	6,477
Subtotal	85,086	(126)	84,960
Less: Provision for impairment	31,163	(126)	31,037
Total	53,923	—	53,923

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Goodwill (Continued)

(2) Provision for impairment of goodwill

RMB'000

Investee	31 December 2024	Changes	30 June 2025 (unaudited)
China Metallurgical Construction Engineering Group Chongqing Heyuan Concrete Co., Ltd.	11,971	—	11,971
MCC Minera Sierra Grande S. A.	12,715	(126)	12,589
Beijing HaiKe Real Estate Development Co., Ltd.	6,477	—	6,477
Total	31,163	(126)	31,037

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. 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. The growth rate forecast is determined based on the expected growth rate of the industry. The profit margin forecast is determined based on the past performance of the market and the expectations of management. The recoverable value of the asset groups of the other invested companies is calculated based on the present value of future cash flows but is not significant to the Group.

21. Long-term prepaid expenses

RMB'000

Item	31 December 2024	Increase for the period	Amortisation for the period	Other changes	30 June 2025 (unaudited)
Leasehold improvements	108,208	6,107	12,687	(10)	101,618
Insurance premiums	3,796	—	229	—	3,567
Maintenance fee	40,027	980	5,763	(10)	35,234
Others	209,460	19,080	24,296	(10)	204,234
Total	361,491	26,167	42,975	(30)	344,653

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB'000

Item	30 June 2025 (unaudited)		31 December 2024	
	Deductible temporary differences/tax losses	Deferred tax assets	Deductible temporary differences/tax losses	Deferred tax assets
Provision for impairment of assets	45,619,588	7,805,961	43,572,459	7,413,743
Unrealised profit on inter-company transactions	2,228,963	493,185	2,586,917	596,388
Accrued expenses	1,136,455	251,048	1,174,390	255,850
Deductible losses	1,355,702	236,350	1,386,548	243,003
Defined benefit plan	795,868	185,380	810,256	188,534
Lease liabilities	617,946	109,821	630,899	112,321
Employee benefits payable	452,219	76,367	446,162	77,727
Changes in fair value	241,452	50,257	277,478	48,659
Others	957,892	169,753	1,050,964	187,855
Total	53,406,085	9,378,122	51,936,073	9,124,080

(2) Deferred tax liabilities before offsetting

RMB'000

Item	30 June 2025 (unaudited)		31 December 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Right-of-use assets	541,341	92,217	535,251	92,761
Changes in fair value of investment in other equity instruments	327,965	54,264	294,868	46,444
Appreciation of assets upon business combination not under common control	86,622	21,656	110,379	26,844
Others	687,400	155,648	776,088	169,004
Total	1,643,328	323,785	1,716,586	335,053

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Deferred tax assets/deferred tax liabilities (Continued)

(3) Deferred tax assets or liabilities that are presented at the net amount after offsetting

RMB'000

Item	30 June 2025 (unaudited)		31 December 2024	
	The offset amount of deferred tax assets and liabilities	Deferred tax assets and liabilities after offsetting	The offset amount of deferred tax assets and liabilities	Deferred tax assets and liabilities after offsetting
Deferred tax assets	183,398	9,194,724	188,041	8,936,039
Deferred tax liabilities	183,398	140,387	188,041	147,012

(4) Details of unrecognised deferred tax assets

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Deductible temporary differences	21,696,520	20,078,195
Deductible losses	12,327,558	11,480,779
Total	34,024,078	31,558,974

(5) Deductible losses, for which no deferred tax assets are recognised, will expire in the following years

RMB'000

Maturity date	30 June 2025 (unaudited)	31 December 2024
Within 1 year	659,721	652,758
1 to 2 years	1,892,738	685,920
2 to 3 years	1,756,602	1,918,845
3 to 4 years	1,963,087	1,813,642
Over 4 years	6,055,410	6,409,614
Total	12,327,558	11,480,779

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Other non-current assets

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Contract assets for PPP project	7,662,289	7,458,935
Warranty deposit	14,484,866	14,116,043
Debt-expiated assets	2,941,989	3,025,813
Prepayments for purchase of long-term assets	239,013	551,393
Others	63,011	76,747
Subtotal	25,391,168	25,228,931
Less: Impairment provision	893,290	849,829
Total	24,497,878	24,379,102

Changes in provision for impairment of other non-current assets are as follows:

30 June 2025

RMB'000

Item	31 December 2024	Provision for the period	Increase from others	Reversal for the period	Decrease from others	30 June 2025 (unaudited)
Provision for impairment of assets	849,829	134,165	–	(90,487)	(217)	893,290

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Assets with restricted ownership or right to use

30 June 2025

RMB'000

Item	30 June 2025 (unaudited)	Reason for restriction
Cash and bank balances	7,710,508	Frozen/Regulated
Notes receivable	34,722	Pledge
Notes receivable	2,813,620	Endorsed or discounted
Accounts receivable	4,955,674	Pledge
Other receivables	1,965,504	Pledge
Long-term receivables	2,167,281	Pledge
Receivables financing	982,276	Pledge
Inventories	12,599,767	Mortgage/Frozen
Investment properties	1,843,425	Mortgage/Frozen
Fixed assets	265,712	Mortgage/Pledge/Frozen
Intangible assets	9,964,447	Mortgage/Pledge/Frozen
Other non-current assets	4,117,507	Pledge
Total	49,420,443	/

31 December 2024

RMB'000

Item	31 December 2024	Reason for restriction
Cash and bank balances	9,368,247	Frozen/Regulated
Notes receivable	29,023	Pledge
Notes 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 financing	311,689	Pledge
Inventories	13,740,863	Mortgage/Frozen
Investment properties	1,098,804	Mortgage/Frozen
Fixed assets	369,963	Mortgage/Frozen
Intangible assets	9,150,361	Mortgage/Pledge/Frozen
Other non-current assets	6,752,090	Pledge
Total	50,398,575	/

Amortisation of intangible assets used as collateral for the six-month period ended 30 June 2025 amounted to RMB206,936,000 (for the six-month period ended 30 June 2024: RMB115,100,000).

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Short-term borrowings

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Pledged loans (a)	493,695	212,218
Mortgaged loans (b)	643,755	612,863
Credit loans	58,208,047	33,028,755
Total	59,345,497	33,853,836

(a) As at 30 June 2025, the Pledged loans of RMB493,695,000 (as at 31 December 2024: RMB212,218,000) were secured by the Pledged of the Group's investment accounts receivable in an aggregate carrying amount of RMB493,695,000 (as at 31 December 2024: RMB212,218,000).

(b) As at 30 June 2025, the mortgaged loans of RMB643,755,000 (as at 31 December 2024: RMB612,863,000) were secured by the mortgage of the Group's investment properties, intangible assets and fixed assets in an aggregate carrying amount of RMB612,192,000 (as at 31 December 2024: RMB816,998,000).

As at 30 June 2025, the Group had no significant maturity outstanding short-term borrowings.

26. Derivative financial liabilities

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Forward exchange contracts	345	2,988
Currency swap contracts	713,014	752,975
Total	713,359	755,963

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Notes payable

RMB'000

Category	30 June 2025 (unaudited)	31 December 2024
Bank acceptances	26,164,518	27,838,085
Commercial acceptances	2,616,561	2,309,324
Total	28,781,079	30,147,409

As at 30 June 2025, the Group had no material maturities and outstanding notes payable.

28. Accounts payable

(1) Classification of accounts payable

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Project fees	255,994,225	235,252,263
Purchases	70,589,384	69,380,250
Labor fees	25,046,561	24,921,867
Quality guarantee deposit	1,761,227	1,905,050
Design fees	676,160	665,277
Others	3,378,031	2,960,336
Total	357,445,588	335,085,043

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Accounts payable (Continued)

(2) Aging analysis of accounts payable

RMB'000

Aging	30 June 2025 (unaudited)	31 December 2024
Within 1 year	267,688,263	258,934,577
1 to 2 years	57,304,311	45,451,153
2 to 3 years	16,040,220	14,764,244
Over 3 years	16,412,794	15,935,069
Total	357,445,588	335,085,043

As at 30 June 2025, accounts payable of RMB89,757,325,000 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. As at 30 June 2025, there are no significant accounts payable that are individually older than 1 year or overdue. The aging of the Group's accounts payable is based on the point of settlement of works or cost recognition.

The Group conducts reverse factoring arrangements through commercial banks and their supply chain finance platforms, providing factoring services to designated suppliers. Under these arrangements, the Banks agree to purchase accounts receivable owed by the Group to suppliers arising from goods sold or services rendered. Suppliers may elect to participate in the factoring program, and those who do may receive early payment from the Banks. Pursuant to agreements between the Group, the Banks, and the finance platforms, the relevant accounts payable will be settled with the banks within 3 to 12 months after the platform issues digital payment instruments or the supplier's factoring financing is disbursed. The Group's payment terms with suppliers remain unchanged under this reverse factoring arrangement, and the Group has not provided any guarantees to the Banks.

As at 30 June 2025, the outstanding accounts payable balance under the arrangement amounted to RMB35,655,152,000 (as at 31 December 2024: RMB33,054,685,000), of which RMB34,196,605,000 represents funds already received by suppliers from the financing providers.

Payment maturity range:

Item	Payment maturity range
Financial liabilities classified as supplier financing arrangements	Within 3 to 12 months after issuance of digital vouchers by the platform or release of supplier's factoring financing
Comparative financial liabilities not classified as supplier financing arrangements	5 to 180 days from receipt of invoice, 1 to 12 months from settlement date

For the six-month period ended 30 June 2025, under the aforementioned financing arrangements, the Group did not have any material non-cash transactions such as business combinations or exchange differences, nor did it reclassify any amounts from accounts payable to short-term borrowings that would not involve cash flows.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Receipts in advance

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Receipts in advance	131,092	99,579
Total	131,092	99,579

As at 30 June 2025, there are no significant receipts in advance that are individually older than one year and have no significant changes in carrying value.

30. Contract liabilities

(1) Classification of contract liabilities

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Contract liabilities relating to engineering contracting service contracts	48,669,128	51,306,585
Contract liabilities formed by receipt of property sales amount in advance	5,766,564	6,086,924
Contract liabilities relating to sales contracts	2,489,413	2,738,063
Contract liabilities relating to contracts of other customers	597,324	1,059,077
Total	57,522,429	61,190,649

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Contract liabilities (Continued)

(2) Qualitative analysis on contract liabilities

The contract liabilities of the Group mainly derive from engineering contracting service contracts, property sales contracts and sales contracts.

- (a) As presented in Note VII, 8, 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 30 June 2025, 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 period ended 30 June 2025, the Group recognised RMB28,966,674,000 in RMB51,306,585,000 of contract liabilities related to the engineering contracting service on 31 December 2024 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 recognised 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 recognise revenue at the time of acquiring the control of the related goods. As at 30 June 2025, 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

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024	Pre-sale percentage (%)	Estimated completion date
Splendid Mansion	945,249	852,087	85.42	2025-12-31
MCC Port Mansion	786,791	804,103	/	Completed
MCC II Ruyijing	582,877	153,189	47.56	2026-09-30
Hebei Qinhuangdao Yudai Bay Project	466,396	409,658	83.72	2025-12-31
Dexian New Town Area 1	311,153	203,823	50.40	2025-12-15
Chun Hua Qiu Shi Project	299,856	383,743	/	Completed
Meiyuan Park	259,795	335,926	37.71	2027-12-31
MCC Changyuanli	254,758	337,152	62.24	2028-12-01
Yanjiao Headquarters Base	198,796	190,598	8.01	2025-09-30
Others	1,660,893	2,416,645	/	/
Total	5,766,564	6,086,924	/	/

As at 30 June 2025, 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 six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable

(1) Classification of employee benefits payable

RMB'000

Item	31 December 2024	Increase for the period	Decrease for the period	30 June 2025 (unaudited)
Short-term employee benefits	2,734,509	10,821,660	11,124,871	2,431,298
Post-employment benefits – defined contribution plan	255,927	1,972,821	1,897,420	331,328
Termination benefits	35,746	55,032	54,179	36,599
Other benefits	63,863	812,621	836,540	39,944
Total	3,090,045	13,662,134	13,913,010	2,839,169

(2) Short-term employee benefits

RMB'000

Item	31 December 2024	Increase for the period	Decrease for the period	30 June 2025 (unaudited)
Wages or salaries, bonuses, allowances and subsidies	1,289,388	8,185,583	8,508,280	966,691
Employee welfare	25,767	506,857	505,977	26,647
Social insurance contributions	44,996	869,892	868,795	46,093
Including: Medical insurance	41,129	784,968	783,397	42,700
Work injury insurance	3,090	70,157	70,132	3,115
Maternity insurance	777	14,767	15,266	278
Housing funds	85,471	1,037,141	1,013,203	109,409
Union running costs and employee education costs	1,288,887	222,187	228,616	1,282,458
Total	2,734,509	10,821,660	11,124,871	2,431,298

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable (Continued)

(3) Defined contribution plan

RMB'000

Item	31 December 2024	Increase for the period	Decrease for the period	30 June 2025 (unaudited)
Basic pension insurance	103,901	1,365,234	1,341,410	127,725
Unemployment insurance	4,818	47,332	47,401	4,749
Annuity	147,208	560,255	508,609	198,854
Total	255,927	1,972,821	1,897,420	331,328

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 six-month period ended 30 June 2025, the Group made deposits amounting to RMB1,972,821,000 (for the six-month period ended 30 June 2024: RMB1,931,398,000) to the defined contribution plans. As at 30 June 2025, there was a payable amount of RMB331,328,000 (as at 31 December 2024: RMB255,927,000) accrued but not paid during the reporting period.

32. Taxes payable

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Value added tax ("VAT")	676,046	742,020
Enterprise income tax	1,322,931	2,121,916
Individual income tax	97,872	344,699
Urban maintenance and construction tax	43,296	50,950
Education surcharge	30,576	35,825
Land appreciation tax	1,148,261	1,138,719
Others	564,379	537,876
Total	3,883,361	4,972,005

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Other payables

(1) Classification of other payables

RMB'000

Category	30 June 2025 (unaudited)	31 December 2024
Interest payable	28,492	24,025
Dividends payable	2,871,016	1,238,350
Other payables	52,881,278	54,535,359
Total	55,780,786	55,797,734

(2) Interest payable

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Interest payables of short-term borrowings	27,534	23,253
Others	958	772
Total	28,492	24,025

As at 30 June 2025, the Group had no material outstanding interest payable.

(3) Dividends payable

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Interest on perpetual bonds classified as equity instrument	1,316,719	781,773
Shareholders' dividends	1,554,297	456,577
Total	2,871,016	1,238,350

As at 30 June 2025, dividends aged over one year but not settled yet amounted to RMB178,934,000, relevant subsidiaries are discussing with the relevant shareholders for the payments schedule.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Other payables (Continued)

(4) Other payables

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Current accounts	33,953,466	33,989,190
Guarantees	14,241,777	13,587,846
Deposits	1,288,222	1,304,088
Others	3,397,813	5,654,235
Total	52,881,278	54,535,359

As at 30 June 2025, other payables aged over one year of RMB11,819,583,000 (as at 31 December 2024: RMB12,120,265,000) were mainly current accounts, guarantees and deposits payable collected by the Group. Since both parties remained business transactions, the amount has not been settled.

As at 30 June 2025, there are no significant other payables with an aging of more than one year or overdue individually.

34. Non-current liabilities due within one year

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Long-term borrowings due within one year (Note VII, 36)	16,188,460	12,960,588
Bonds payable due within one year (Note VII, 37)	61,850	1,455,291
Lease liabilities due within one year (Note VII, 38)	180,283	153,900
Long-term payables due within one year (Note VII, 39)	429,126	282,773
Employee benefits payable due within one year (Note VII, 40)	258,417	310,776
Total	17,118,136	15,163,328

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other current liabilities

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Amounts to be transferred to output VAT	34,151,988	33,474,309
Total	34,151,988	33,474,309

36. Long-term borrowings

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Pledged loans (a)	15,726,943	12,970,188
Mortgaged loans (b)	5,562,440	6,168,873
Guaranteed loans (c)	117,989	117,989
Credit loans	40,660,924	34,015,069
Total	62,068,296	53,272,119
Including: Long-term borrowings due within one year (Note VII, 34)	16,188,460	12,960,588
Including: Pledged loans	3,165,457	1,323,461
Mortgage loan	1,621,058	2,976,805
Credit loans	11,401,945	8,660,322
Long-term borrowings due over one year	45,879,836	40,311,531

(a) As at 30 June 2025, long-term borrowings of RMB15,726,943,000 (as at 31 December 2024: RMB12,970,188,000) were secured by the pledge of the Group's accounts receivable, other receivables, long-term receivables, intangible assets and other non-current assets in amount of RMB21,625,233,000 (as at 31 December 2024: RMB20,910,853,000).

(b) As at 30 June 2025, long-term borrowings of RMB5,562,440,000 (as at 31 December 2024: RMB6,168,873,000) were secured by the mortgage of the Group's intangible assets, fixed assets, investment properties, and inventories in amount of RMB14,696,024,000 (as at 31 December 2024: RMB15,100,136,000).

(c) As at 30 June 2025, long-term borrowings of RMB117,989,000 (as at 31 December 2024: RMB117,989,000) were guaranteed by third party.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Long-term borrowings (Continued)

RMB'000

Maturity date of long-term borrowings due over one year	30 June 2025 (unaudited)	31 December 2024
1 to 2 years	7,953,563	11,321,041
2 to 5 years	21,258,246	11,326,548
Over 5 years	16,668,027	17,663,942
Total	45,879,836	40,311,531

For the six-month period ended 30 June 2025, the weighted average interest rate of long-term borrowings was 3.44% per annum (for the six-month period ended 30 June 2024: 3.65% per annum). As at 30 June 2025, the Group did not have any significant overdue long-term borrowings.

37. Bonds payable

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Corporate bonds	2,027,365	2,069,231
Non-public targeted bond financing instruments	—	1,337,227
Medium-term notes	3,379,485	2,048,833
Total	5,406,850	5,455,291
Including: Bonds payable due within one year (Note VII, 34)	61,850	1,455,291
Bonds payable due over one year	5,345,000	4,000,000

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

For the six-month period ended 30 June 2025, the movements of bonds payable are as follows (unaudited):

RMB'000

Name of bonds	Nominal value	Issue date	Bond maturity	Issue amount	31 December 2024	Issued in the current period	Resale in the current period	Interest accrued based on face value	Repurchase in the current period	Repaid in the current period	30 June 2025
First public Corporate Bond of MCC Real Estate Group Co., Ltd. to Professional Investors in 2023 (a)	2,000,000	2023-3-16 to 2023-3-17	5 years	2,000,000	2,069,231	-	210,000	42,334	210,000	84,200	2,027,365
2025 first tranche of medium-term notes of MCC Real Estate Group Co., Ltd. (b)	1,345,000	2025-3-5 to 2025-3-6	5 years	1,345,000	-	1,345,000	-	14,952	-	-	1,359,952
2022 first tranche of target debt financing instruments of MCC Real Estate Group Co., Ltd. (c)	1,300,000	2022-3-23 to 2022-3-24	3 years	1,300,000	1,337,227	-	-	8,273	-	1,345,500	-
Corporate debentures publicly issued by the Company in 2024 (first tranche) (d)	1,000,000	2024-2-21 to 2024-2-22	10 years	1,000,000	1,024,483	-	-	14,700	-	29,400	1,009,783
Corporate debentures publicly issued by the Company in 2024 (second tranche) (e)	1,000,000	2024-2-23 to 2024-2-26	10 years	1,000,000	1,024,350	-	-	14,600	-	29,200	1,009,750
Total	6,645,000	/	/	6,645,000	5,455,291	1,345,000	210,000	94,859	210,000	1,488,300	5,406,850

(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 an initial annual interest rate of 4.21%. Interest will be paid every year and principal will be paid upon maturity date, and accompanied by an investor resale option and an issuer interest rate adjustment option. During this period, the Company repurchased and resold bonds with a total amount of RMB210,000,000. As at 30 June 2025, the annual interest rate of the bond has been reduced to 3.35%, and there have been no defaults on the bonds.

(b) MCC Real Estate Group Co., Ltd., one of the Company's subsidiaries, issued medium-term notes from 5 March 2025 to 6 March 2025 at an equal price with the face value of RMB1,345,000,000 with a term of five years from issuance and interest bearing at a fixed annual rate of 3.45%. Interest will be paid every year and principal will be paid upon maturity date. As at 30 June 2025, there was no default on the bonds.

(c) 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, with the option of selling back and adjusting the bond interest rate every full year. As at 30 June 2025, the bond has been repaid in full.

(d) 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 30 June 2025, there was no default on the bonds.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

For the six-month period ended 30 June 2025, the movements of bonds payable as follows (unaudited):

- (e) 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 30 June 2025, there was no default on the bonds.

38. Lease liabilities

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Building lease	605,835	550,320
Other leases	53,216	26,281
Total	659,051	576,601
Less: Lease liabilities due within one year (Note VII, 34)	180,283	153,900
Lease liabilities due over one year	478,768	422,701

RMB'000

Maturity Date of lease liabilities	30 June 2025 (unaudited)	31 December 2024
1st year subsequent to the balance sheet date	194,263	169,674
2nd year subsequent to the balance sheet date	187,274	128,783
3rd year subsequent to the balance sheet date	119,822	99,937
Subsequent years	227,329	249,804
Total minimum lease payments	728,688	648,198
Less: Unrecognised financing cost	69,637	71,597
Total lease liabilities	659,051	576,601

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Long-term payables

RMB'000

Category	30 June 2025 (unaudited)	31 December 2024
Long-term payables	1,675,745	1,592,421
Special payables	28,550	32,237
Total	1,704,295	1,624,658
Less: long-term payables due within one year (Note VII, 34)	429,126	282,773
Long-term payables due over one year	1,275,169	1,341,885

(1) Long-term payables disclosed by nature

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Housing maintenance fund	41,960	41,960
Amounts due to funds	376,858	376,858
Payments for construction and quality guarantee deposit	752,700	833,660
Others	504,227	339,943
Total	1,675,745	1,592,421
Less: long-term payables due within one year	428,971	282,773
Long-term payables due over one year	1,246,774	1,309,648

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Long-term payables (Continued)

(2) Analysis of the maturity date of long-term payables due over one year

RMB'000

Maturity date	30 June 2025 (unaudited)	31 December 2024
1 to 2 years	465,536	373,989
2 to 5 years	311,545	491,140
Over 5 years	469,693	444,519
Total	1,246,774	1,309,648

(3) For the six-month period ended 30 June 2025, the movements of special payables are as follows:

RMB'000

Item	31 December 2024	Increase for the period	Decrease for the period	30 June 2025 (unaudited)	Including: Amount due within one year (Note VII, 34) (unaudited)
Special payables for water/power/gas supply and property (Note)	22,415	—	816	21,599	—
Others	9,822	405	3,276	6,951	155
Total	32,237	405	4,092	28,550	155

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 six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term employee benefits payable

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Post-employment benefits – Net liability arising from defined benefit plans	3,613,307	3,751,124
Less: Long-term employee benefits payable due within one year (Note VII, 34)	258,417	310,776
Long-term employee benefits payable due over one year	3,354,890	3,440,348

Movements in the present value of the defined benefit plans are as follows:

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024
Opening balance	3,751,124	3,727,813
Defined benefit costs recognised in profit or loss	29,847	44,518
Net interest expense	29,847	44,518
Defined benefit costs recognised in other comprehensive income	(137)	83,430
Actuarial losses	(137)	83,430
Other changes	(167,527)	(169,916)
Benefits paid	(167,527)	(169,916)
Closing balance	3,613,307	3,685,845

The balance of RMB2,083,965,000 of defined benefit plan is a supplementary retirement benefit for employees who retired before 31 December 2007 and RMB1,529,342,000 is a supplementary retirement benefit for employees who retire before 31 December 2023. 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 "Beijing Branch of Towers Watson Management Consulting (Shenzhen) 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 survivors, 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 six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term employee benefits payable (Continued)

The principal assumptions used for the purposes of the actuarial valuations on the balance sheet date are as below:

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Discount rate	1.75%	1.75%
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 relevant plans recognised in profit or loss are as follows:

RMB'000

	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024
Net interest expense	29,847	44,518
Total	29,847	44,518

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Provisions

RMB'000

Item	31 December 2024	Increase for the period	Decrease for the period	30 June 2025 (unaudited)
Pending litigations (a)	189,381	69,063	21,284	237,160
Product quality guarantees (b)	11,837	2,428	3,905	10,360
Restoration, rehabilitation and environmental provision (c)	258,105	—	1,104	257,001
Onerous contract to be performed (d)	188,396	33,417	35,723	186,090
The separation and hand-over cost of "Special payables for water/power/gas supply and property" (e)	98,946	—	—	98,946
Others	257,282	—	153,182	104,100
Total	1,003,947	104,908	215,198	893,657
Including: Provisions due over one year	1,003,947	104,908	215,198	893,657

- (a) The Group recognizes provisions for pending litigation where an unfavorable outcome is considered probable, creating a present obligation 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 guarantees, 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 six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income

RMB'000

Item	31 December 2024	Increase for the period	Decrease for the period	30 June 2025 (unaudited)
Government grants	941,790	45,521	70,134	917,177
Others	77,237	1,909	33,464	45,682
Total	1,019,027	47,430	103,598	962,859

43. Other non-current liabilities

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Capital injection by other partners (funds)	763,538	363,538
Total	763,538	363,538

44. Share capital

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Unrestricted shares		
Ordinary shares in RMB	17,852,619	17,852,619
Foreign-owned shares listed overseas	2,871,000	2,871,000
Total	20,723,619	20,723,619

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments

RMB'000

Outstanding financial instruments	31 December 2024		Increase for the period		Decrease for the period		30 June 2025 (unaudited)	
	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 Zhongyuan Wealth Growth No. 1152 Tranche in 2021	/	500,000	-	-	-	-	/	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 MTN010	2,000	2,000,000	-	-	-	-	2,000	2,000,000
2023 MCC MTN011	1,400	1,400,000	-	-	-	-	1,400	1,400,000
2023 MCC MTN012	1,000	1,000,000	-	-	-	-	1,000	1,000,000
2023 MCC MTN013	1,000	1,000,000	-	-	-	-	1,000	1,000,000
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
2025 MCC MTN001	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN002	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN003	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN004	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN005	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN006	-	-	1,200	1,200,000	-	-	1,200	1,200,000
2025 MCC MTN007	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN008	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN009	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN010	-	-	800	800,000	-	-	800	800,000
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	-	-
Total	/	50,600,000	/	18,000,000	/	21,000,000	/	47,600,000

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments (Continued)

RMB'000

Outstanding financial instruments	Issue date	Dividend rate or interest rate	Issue amount	Maturity date or renewal	Terms of conversion	Conversion
Renewable Financing Instruments of Zhongyuan Wealth Growth No. 1152 Tranche in 2021	2021-12-29	4.95%	500,000	Undue	None	No
2022 MCC MTN001	2022-12-07 to 2022-12-08	4.18%	2,000,000	Undue	None	No
2022 MCC MTN002	2022-12-14 to 2022-12-15	4.23%	2,000,000	Undue	None	No
2022 MCC MTN003	2022-12-21 to 2022-12-22	4.12%	1,300,000	Undue	None	No
2023 MCC MTN010	2023-08-18 to 2023-08-21	3.05%	2,000,000	Undue	None	No
2023 MCC MTN011	2023-08-23 to 2023-08-24	3.04%	1,400,000	Undue	None	No
2023 MCC MTN012	2023-08-31 to 2023-09-01	3.10%	1,000,000	Undue	None	No
2023 MCC MTN013	2023-09-01 to 2023-09-04	3.22%	1,000,000	Undue	None	No
2024 MCC MTN003	2024-03-14 to 2024-03-15	2.79%	2,000,000	Undue	None	No
2024 MCC MTN004	2024-03-18 to 2024-03-19	2.74%	2,000,000	Undue	None	No
2024 MCC MTN005A	2024-07-24 to 2024-07-25	2.25%	1,000,000	Undue	None	No
2024 MCC MTN005B	2024-07-24 to 2024-07-25	2.54%	1,000,000	Undue	None	No
2024 MCC MTN006	2024-08-07 to 2024-08-08	2.25%	2,000,000	Undue	None	No
2024 MCC MTN007	2024-08-09 to 2024-08-12	2.75%	1,200,000	Undue	None	No
2024 MCC MTN008	2024-08-21 to 2024-08-22	2.40%	2,000,000	Undue	None	No
2024 MCC MTN009	2024-08-22 to 2024-08-23	2.28%	2,000,000	Undue	None	No

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments (Continued)

RMB'000

Outstanding financial instruments	Issue date	Dividend rate or interest rate	Issue amount	Maturity date or renewal	Terms of conversion	Conversion
2024 MCC MTN010	2024-08-23 to 2024-08-26	2.50%	2,000,000	Undue	None	No
2024 MCC MTN011	2024-08-26 to 2024-08-27	2.38%	2,000,000	Undue	None	No
2024 MCC MTN012	2024-08-27 to 2024-08-28	2.31%	1,200,000	Undue	None	No
2025 MCC MTN001	2025-03-03 to 2025-03-04	2.30%	2,000,000	Undue	None	No
2025 MCC MTN002	2025-03-10 to 2025-03-11	2.31%	2,000,000	Undue	None	No
2025 MCC MTN003	2025-03-12 to 2025-03-13	2.37%	2,000,000	Undue	None	No
2025 MCC MTN004	2025-03-24 to 2025-03-25	2.27%	2,000,000	Undue	None	No
2025 MCC MTN005	2025-03-27	2.25%	2,000,000	Undue	None	No
2025 MCC MTN006	2025-04-23 to 2025-04-24	2.35%	1,200,000	Undue	None	No
2025 MCC MTN007	2025-04-27 to 2025-04-28	2.39%	2,000,000	Undue	None	No
2025 MCC MTN008	2025-05-22 to 2025-05-23	2.07%	2,000,000	Undue	None	No
2025 MCC MTN009	2025-05-26 to 2025-05-27	2.09%	2,000,000	Undue	None	No
2025 MCC MTN010	2025-06-09 to 2025-06-10	2.05%	800,000	Undue	None	No
Total	/	/	47,600,000	/	/	/

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 the 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 recognised in other equity instruments and presented under the item of minority interests in the Group's consolidated financial statements.

As at 30 June 2025, the balance of the above minority interests are RMB4,000,000,000.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital reserve

RMB'000

Item	31 December 2024	Increase for the period	Decrease for the period	30 June 2025 (unaudited)
Share premium	22,467,142	—	—	22,467,142
Other capital reserve	993,529	5,454	19,764	979,219
Total	23,460,671	5,454	19,764	23,446,361

47. Other comprehensive income

Accumulated balance of other comprehensive income attributable to the parent company in the consolidated balance sheet:

RMB'000

Item	31 December 2024	Attributable to shareholders of the parent company, net of income tax	Less: Retained earnings transferred from other comprehensive income	30 June 2025 (unaudited)
Other comprehensive income that cannot be reclassified to profit or loss				
Changes in remeasurement of defined benefit plan	(200,568)	120	—	(200,448)
Other comprehensive income that cannot be reclassified to profit or loss under the equity method	25	(23)	—	2
Changes in fair value of investment in other equity instruments	(17,018)	13,790	770	(3,998)
Subtotal	(217,561)	13,887	770	(204,444)
Other comprehensive income that will be reclassified to profit or loss				
Other comprehensive income that can be reclassified to profit or loss under the equity method	21,298	(1,916)	—	19,382
Changes in fair value of receivables financing	(94,115)	9,721	—	(84,394)
Translation differences of financial statements denominated in foreign currencies	1,041,496	(35,366)	—	1,006,130
Subtotal	968,679	(27,561)	—	941,118
Total	751,118	(13,674)	770	736,674

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other comprehensive income (Continued)

Amount incurred in other comprehensive income:

For the six months period ended 30 June 2025 (unaudited):

RMB'000

Item	Pre-tax amount incurred in the period	Less: Income tax expenses	Attributable to shareholders of the parent company, net of income tax	Attributable to minority shareholders, net of income tax
Other comprehensive income that cannot be reclassified to profit or loss				
Changes in remeasurement of defined benefit plan	137	4	120	13
Other comprehensive income that cannot be subsequently reclassified to profit or loss under the equity method	(23)	—	(23)	—
Changes in fair value of investment in other equity instruments	19,733	5,858	13,790	85
Other comprehensive income that will be reclassified to profit or loss				
Other comprehensive income that can be reclassified to profit or loss under the equity method	(2,666)	—	(1,916)	(750)
Changes in fair value of receivables financing	6,580	(354)	9,721	(2,787)
Translation differences of financial statements denominated in foreign currencies	(45,323)	(756)	(35,366)	(9,201)
Total	(21,562)	4,752	(13,674)	(12,640)

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Special reserve

RMB'000

Item	31 December 2024	Increase for the period	Decrease for the period	30 June 2025 (unaudited)
Production safety expenses	1,024,967	4,887,943	4,397,913	1,514,997
Total	1,024,967	4,887,943	4,397,913	1,514,997

49. Surplus reserve

RMB'000

Item	31 December 2024	Increase for the period	Decrease for the period	30 June 2025 (unaudited)
Statutory surplus reserve	3,782,468	—	—	3,782,468
Total	3,782,468	—	—	3,782,468

In accordance with the Company Law of the People's Republic of China and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the share capital upon approval.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Retained profits

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Retained profits at the end of the prior year	52,700,255	49,859,806
Retained profits at the beginning of the period	52,700,255	49,859,806
Add: Net profit attributable to shareholders of the parent company	3,099,278	4,149,738
Other comprehensive income transferred to retained earnings	770	—
Others	—	(11,368)
Less: Distribution of dividends on ordinary shares (a)	1,160,523	1,492,101
Distribution of interest on perpetual bonds classified as equity instrument (b)	1,315,209	1,821,993
Retained profits at the end of the period	53,324,571	50,684,082

As at 30 June 2025, retained profits of the Group included in statutory surplus reserve of subsidiaries of the parent company amounting to RMB19,138,876,000 (as at 31 December 2024: RMB19,138,876,000).

(a) In accordance with the resolution at the 2024 annual general meeting of shareholders on 30 June 2025, a final cash dividend of RMB0.056 (inclusive of tax) per share was approved after the appropriation to statutory surplus reserve, which amounted to RMB1,160,523,000, this dividend has been paid as of 29 August 2025.

(b) For the six-month period ended 30 June 2025, the Company distributed interest on perpetual bonds amounting to RMB1,315,209,000 (for the six-month period ended 30 June 2024: RMB1,821,993,000). As at 30 June 2025, retained profits included no interest belonging to the perpetual bond holders (as at 31 December 2024: Nil).

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Operating income and operating costs

(1) Operating income and operating costs

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)		For the six-month period ended 30 June 2024 (unaudited)	
	Revenue	Cost	Revenue	Cost
Principal operating activities	236,829,648	213,021,492	298,172,758	271,365,047
Other operating activities	703,064	542,443	668,769	435,142
Total	237,532,712	213,563,935	298,841,527	271,800,189

(2) Breakdown of operating income

For the six-month period ended 30 June 2025 (unaudited)

RMB'000

Reporting segment	Engineering contracting	Featured business	Comprehensive real estate	Others	Subtotal
Timing of transfer of goods					
At a certain point in time	9,866,151	8,980,875	4,053,210	118,240	23,018,476
Over period of time	205,706,485	7,885,866	565,268	–	214,157,619
Leases	176,536	6,872	172,328	881	356,617
Total	215,749,172	16,873,613	4,790,806	119,121	237,532,712

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Operating income and operating costs (Continued)

(3) Breakdown of operating costs

For the six-month period ended 30 June 2025 (unaudited)

RMB'000

Reporting segment	Engineering contracting	Featured business	Comprehensive real estate	Others	Subtotal
Timing of transfer of goods					
At a point in time	8,192,700	6,964,229	3,839,064	55,741	19,051,734
Over time	186,888,012	6,869,532	501,885	–	194,259,429
Leases	94,339	1,077	157,211	145	252,772
Total	195,175,051	13,834,838	4,498,160	55,886	213,563,935

(4) Information about the Group's performance obligations

	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 fees	Construction services	Yes	No	Project warranty, assurance-type warranty
Survey and design services	Service period	Service progress acceptance payment	Design document	Yes	No	None
Sale of goods	Time of delivery	Payment on delivery, bank mortgage loans	Metallurgical equipment, metallic and non-metallic minerals, and commercial properties	Yes	No	Metallurgical equipment, commercial properties assurance-type warranty

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Operating income and operating costs (Continued)

(5) Operating revenue from the top five largest customers of the Group

The total amount of operating revenue from the top five largest customers of the Group is RMB18,816,048,000 (for the six-month period ended 30 June 2024: RMB9,800,700,000), accounting for 7.92% of the total operating revenue of the Group (for the six-month period ended 30 June 2024: 3.28%). The details are set out below:

RMB'000

Customer name	Operating income (unaudited)	Proportion to total operating income of the Group (%)
Party 1	8,753,530	3.68
Party 2	3,832,761	1.61
Party 3	2,702,031	1.14
Party 4	1,795,880	0.76
Party 5	1,731,846	0.73
Total	18,816,048	7.92

The engineering contracting services provided by the Group generally constitutes a single performance obligation as a whole and is performed over time. As at 30 June 2025, some of the Group's engineering contracting service contracts are still in the process of performance, the transaction price allocated to the outstanding (or partially unperformed) performance obligations is related to the performance progress of each service contract, and will be recognised as revenue in the future performance period of each contract based on the performance progress.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Taxes and levies

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Stamp tax	138,240	190,443
Housing property Tax	162,824	170,999
Urban maintenance and construction tax	153,184	160,682
Education surcharge	120,660	127,810
Land use tax	68,480	62,312
Land appreciation tax	24,157	25,742
Others	209,610	173,509
Total	877,155	911,497

53. Selling expenses

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Employee benefits	705,889	694,783
Advertising and sales service expenses	221,624	253,199
Travel expenses	128,307	137,969
Office expenses	51,295	83,170
Lease expenses	42,513	44,492
Consulting fee	23,566	37,750
Depreciation of fixed assets	5,027	5,055
Others	125,862	129,960
Total	1,304,083	1,386,378

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Administrative expenses

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Employee benefits	3,718,083	3,924,942
Depreciation of fixed assets	264,499	257,802
Travel expenses	151,971	197,555
Office expenses	130,070	188,505
Professional service fees	139,372	151,758
Lease expenses	115,784	126,597
Amortisation of intangible assets	92,313	99,332
Maintenance fee	43,592	38,726
Others	677,038	723,204
Total	5,332,722	5,708,421

55. Research and development expenses

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Research and development material expenditure	4,116,474	5,482,836
Employee benefits	2,268,604	2,254,124
Depreciation of fixed assets	53,575	79,404
Amortisation of intangible assets	13,247	12,645
Others	283,070	237,180
Total	6,734,970	8,066,189

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Financial expenses

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Interest expenses	2,158,279	1,773,610
Less: Capitalised interest expenses	723,249	467,779
Less: Interest income	937,172	973,653
Exchange losses/(gains)	27,603	(9,214)
Bank charges	209,019	291,060
Interest expenses on lease liabilities	14,700	17,807
Others	4,620	5,469
Total	753,800	637,300

57. Other income

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Tax refunds	45,882	57,281
Research subsidies	89,835	85,368
Others	103,940	106,514
Total	239,657	249,163

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Investment loss

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
(Loss)/Income from long-term equity investments under equity method	(54,451)	19,421
Investment income on disposal of long-term equity investments	2,210	4,123
Investment loss from disposal of receivables financing	(150,600)	(141,593)
Investment income from holding investments in other equity instruments	15,313	1,098
Investment income from holding investments in other non-current financial assets	908	6,544
Losses from derecognition of financial assets at amortised cost	(256,644)	(401,664)
Others	(2,493)	(88,837)
Total	(445,757)	(600,908)

59. Losses on changes in fair values

RMB'000

Sources resulting in fair value change losses:	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Losses on changes in fair value of financial assets held for trading	(148)	(197)
Losses on changes in fair value of derivative financial assets	—	(12,676)
Losses on changes in fair value of derivative financial liabilities	(43,691)	(204,406)
(Losses)/Gains on changes in fair value of other non-current financial assets	(842)	677
Total	(44,681)	(216,602)

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Impairment losses of credit

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
(Losses on)/Reversal of credit impairment of notes receivable (Note VII, 2(4))	(4,405)	620
Losses on credit impairment of accounts receivable (Note VII, 3(3))	(1,660,181)	(2,475,191)
Losses on credit impairment of other receivables (Note VII, 6(3) (d))	(192,183)	(331,612)
(Losses on)/Reversal of credit impairment of long-term receivables (Note VII, 11(2))	(48,745)	29,275
Total	(1,905,514)	(2,776,908)

61. Impairment losses of assets

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Losses on decline in value of inventories (Note VII, 7(2))	(672,766)	(1,135,460)
Losses on impairment of contract assets (Note VII, 8(3))	(979,946)	(957,186)
Losses on impairment of long-term equity investments (Note VII, 12)	—	(1,626)
Losses on impairment of intangible assets	(704)	—
(Losses on)/Reversal of impairment of other non-current assets	(43,678)	493
(Losses on)/Reversal of impairment of other current assets	(2,989)	4,623
Total	(1,700,083)	(2,089,156)

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Gains on disposal of assets

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Gains on disposal of fixed assets	43,113	711,529
Gains on disposal of intangible assets	130,078	139,463
Gains/(Losses) on disposal of other long-term assets	5,476	(3,528)
Total	178,667	847,464

63. Non-operating income

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)	Recognised in non-recurring profit or loss for the period (unaudited)
Income from penalty	11,740	10,466	11,740
Government grants	19,990	14,857	19,990
Unpayable balances	33,252	43,037	33,252
Others	62,478	73,933	62,478
Total	127,460	142,293	127,460

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Non-operating expenses

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)	Recognised in non-recurring profit or loss for the period (unaudited)
Litigation estimated liabilities	50,748	67,450	50,748
Compensation and default payments	38,797	108,412	38,797
Loss on damage and retirement of non-current assets	6,218	7,443	6,218
Fines and surcharges for overdue payments	24,799	6,656	24,799
Donation expenditure	15,009	7,198	15,009
Others	1,076	8,592	1,076
Total	136,647	205,751	136,647

65. Income tax expenses

(1) Classification of income tax expenses

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Current tax expenses	1,478,505	1,825,773
Deferred tax expenses	(272,348)	(845,257)
Total	1,206,157	980,516

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Income tax expenses (Continued)

(2) Reconciliation of income tax expenses to the accounting profit

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Total profit	5,279,149	5,681,148
Income tax expenses calculated at 25%	1,319,787	1,420,287
Effect of difference between applicable tax rate and statutory tax rate	(667,950)	(622,942)
Effect of non-taxable income	(36,706)	(30,408)
Effect of non-deductible costs, expenses and losses	133,715	111,569
Effect of utilising deductible temporary differences or deductible loss not recognised for deferred tax assets for prior period	(102,362)	(210,527)
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognised for the period	1,158,220	825,196
Additional deduction for R&D expenses and others	(598,547)	(512,659)
Income tax expenses	1,206,157	980,516

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 period at the rates of taxation prevailing in the countries or jurisdictions in which these companies operate.

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Earnings per share

(1) *When calculating earnings per share, net profit for the period attributable to ordinary shareholders*

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Net profit for the period attributable to shareholders of the parent company	3,099,278	4,149,738
Including: Net profit from continuing operations	3,099,278	4,149,738
Less: Net profit attributable to perpetual bond holders	1,315,209	1,821,993
Net profit for the period attributable to ordinary shareholders	1,784,069	2,327,745

(2) *For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares*

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited) '000 shares	For the six-month period ended 30 June 2024 (unaudited) '000 shares
Number of ordinary shares outstanding at the beginning of the period	20,723,619	20,723,619
Add: Weighted average number of ordinary shares issued during the period	—	—
Less: Weighted average number of ordinary shares repurchased during the period	—	—
Number of ordinary shares outstanding at the end of the period	20,723,619	20,723,619

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Earnings per share (Continued)

(3) Earnings per share

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Calculated based on net profit attributable to ordinary shareholders:		
Basic earnings per share	RMB0.09/share	RMB0.11/share
Diluted earnings per share	RMB0.09/share	RMB0.11/share
Calculated based on net profit from continuing operations attributable to ordinary shareholders:		
Basic earnings per share	RMB0.09/share	RMB0.11/share
Diluted earnings per share	RMB0.09/share	RMB0.11/share
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

67. Items in the cash flow statement

(1) Cash relating to operating activities

Other cash receipts relating to operating activities

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Receipts of deposits, guarantees and current accounts	5,342,277	4,224,791
Interest income	781,122	863,940
Government grants	192,971	254,739
Others	76,146	271,152
Total	6,392,516	5,614,622

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Items in the cash flow statement (Continued)

(1) Cash relating to operating activities (Continued)

Other cash payments relating to operating activities

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Research and development expenditure	4,398,263	5,728,846
Changes in restricted monetary funds	1,657,739	1,546,845
Travel expenses	280,278	335,523
Advertising and sales service expenses	221,624	156,166
Professional service fee	162,938	189,508
Office expenses	158,418	191,401
Short-term leases expenses	158,297	171,089
Advances to customers and others	2,023,558	1,889,047
Total	9,061,115	10,208,425

(2) Cash relating to investing activities

Other cash receipts relating to investing activities

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Recovery of loans to related parties	2,182,657	31,003
Interest income from loans	156,050	21,586
Income from delivery of derivative financial instruments	—	44,432
Total	2,338,707	97,021

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Items in the cash flow statement (Continued)

(2) Cash relating to investing activities (Continued)

Other cash payments relating to investing activities

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Expenses from delivery of derivative financial instruments	86,295	151,173
Others	–	75,556
Total	86,295	226,729

(3) Cash relating to financing activities

Other cash receipts relating to financing activities

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Loans and others	141,325	–
Total	141,325	–

Other cash payments relating to financing activities

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Redemption of perpetual medium-term notes and perpetual bonds	18,000,000	3,552,550
Repayment of loans and interests	1,283,737	109,796
Payments of lease liabilities	73,656	148,105
Total	19,357,393	3,810,451

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Items in the cash flow statement (Continued)

(3) Cash relating to financing activities (Continued)

Movements in liabilities arising from financing activities

RMB'000

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance (unaudited)
		Cash movement	Non-cash movement	Cash movement	Non-cash movement	
Short-term borrowings	33,853,836	99,417,528	2,297,379	74,907,134	1,316,112	59,345,497
Long-term borrowings (including due within one year)	53,272,119	12,956,197	6,380,511	9,890,531	650,000	62,068,296
Bonds payable (including due within one year)	5,455,291	1,555,000	87,686	1,691,127	–	5,406,850
Lease liabilities (including due within one year)	576,601	–	208,902	73,656	52,796	659,051
Dividends payable	1,238,350	–	2,517,540	884,874	–	2,871,016
Interest payable	24,025	–	685,092	680,625	–	28,492
Borrowing funds	2,461,705	141,325	834,317	1,283,737	–	2,153,610
Total	96,881,927	114,070,050	13,011,427	89,411,684	2,018,908	132,532,812

(4) Cash flows presented on a net basis

Item	Relevant facts and circumstances	Basis for presentation on a net basis
Deposits and guarantees	Deposits and guarantees paid to or recovered from customers for project contracting services, and deposits and guarantees received from or returned to suppliers are presented on a net basis	The Group operates many engineering contracting projects; Deposits and guarantees are of quick turnover and short terms

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Items in the cash flow statement (Continued)

(5) Significant activities not involving current cash receipts and payments

For the six-month period ended 30 June 2025, the Group had non-cash receipts and payments such as receivables financing endorsed and derecognised on a non-recourse basis, with a total amount of RMB10,124,202,000; the Group offset the amounts due to suppliers with accounts receivable measured at amortised cost, with a total of RMB4,255,885,000 derecognised from gross carrying amount of accounts receivable.

68. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

RMB'000

Item	For the six-month period ended 30 June 2025 (unaudited)	For the six-month period ended 30 June 2024 (unaudited)
Reconciliation of net profit to cash flows from operating activities		
Net profit	4,072,992	4,700,632
Add: Losses on impairment of asset and impairment of credit	3,605,597	4,866,064
Depreciation of fixed assets and right- of-use assets, and depreciation and amortisation of investment properties	1,538,388	1,479,951
Amortisation of intangible assets	616,030	537,634
Amortisation of long-term prepaid expenses	42,975	41,439
Gains on disposal of fixed assets, intangible assets and other long-term assets	(178,667)	(847,464)
Net losses on retirement of fixed assets	805	2,904
Losses on changes in fair values	44,681	216,602
Financial expenses	1,321,283	1,142,671
Investment loss	38,513	57,651
Increase in deferred tax assets	(253,281)	(857,015)
(Decrease)/Increase in deferred tax liabilities	(19,067)	11,758
Decrease/(Increase) in inventories	2,802,414	(1,076,288)
Increase in contract assets	(38,829,551)	(45,361,323)
Decrease in contract liabilities	(3,668,220)	(2,521,715)
Increase in operating receivables	(15,218,303)	(47,867,147)
Increase in operating payables	22,098,433	57,067,486
Net Cash Flow Used in Operating Activities	(21,984,978)	(28,406,160)
Net changes in cash and cash equivalents		
Closing balance of cash and cash equivalents	45,346,981	35,459,471
Less: Opening balance of cash and cash equivalents	43,190,604	33,850,108
Net Increase in Cash and Cash Equivalents	2,156,377	1,609,363

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Supplementary information to the cash flow statement (Continued)

(2) Composition of cash and cash equivalents

RMB'000

Item	30 June 2025 (unaudited)	31 December 2024
Cash	45,346,981	43,190,604
Including: Cash on hand	5,883	5,045
Bank deposits that are readily available for payment	45,341,098	43,185,559
Closing Balance of Cash and Cash Equivalents	45,346,981	43,190,604

(3) Circumstances where use is restricted but still presented as cash and cash equivalents

RMB'000

	30 June 2025 (unaudited)	31 December 2024	Reason
Special account funds for project agreement	17,441,497	18,303,699	Project-specific, with no substantive restrictions on withdrawal for use on this project
Special account funds for wage payment of migrant workers	7,598,110	8,792,589	Dedicated to the payment of migrant workers' wages, which can be paid at any time without substantial restrictions
Others	2,853,748	3,243,282	Special funds for exclusive use, without substantial restrictions during use
Total	27,893,355	30,339,570	

(4) Cash and bank balances not classified as cash and cash equivalents

RMB'000

	30 June 2025 (unaudited)	31 December 2024	Reason
Frozen funds	4,858,927	4,967,221	Frozen, unable to withdraw at any time
Guarantees	1,553,567	2,173,442	Illiquid, unable to withdraw at any time
Other funds with restricted ownership or usage rights	1,298,014	2,227,584	Unable to withdraw at any time
Total	7,710,508	9,368,247	

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Items denominated in foreign currencies

(1) Items denominated in foreign currencies

RMB'000

Items	Foreign currency at 30 June 2025 (unaudited)	Exchange rate	RMB at 30 June 2025 (unaudited)
Cash and bank balances			2,895,021
Including: USD	217,763	7.1586	1,558,881
HKD	1,361	0.9120	1,241
EUR	13,093	8.4024	110,009
AUD	46,692	4.6817	218,600
SGD	8,235	5.6179	46,264
IDR	791,634,312	0.0004	350,694
KWD	3,793	23.4478	88,927
Other currencies	/	/	520,405
Accounts receivable			1,376,727
Including: USD	28,024	7.1586	200,611
HKD	4,159	0.9120	3,793
SGD	30,282	5.6179	170,123
IDR	426,595,937	0.0004	188,982
MYR	64,124	1.6950	108,691
KWD	7,941	23.4478	186,203
Other currencies	/	/	518,324
Other receivables			297,560
Including: USD	1,105	7.1586	7,912
SGD	11,697	5.6179	65,710
MYR	992	1.6950	1,682
KWD	2,502	23.4478	58,666
Other currencies	/	/	163,590
Short-term borrowings			393,253
Including: SGD	70,000	5.6179	393,253
Accounts payable			742,649
Including: USD	760	7.1586	5,438
EUR	686	8.4024	5,762
AUD	565	4.6817	2,647
IDR	265,088,036	0.0004	117,434
Other currencies	/	/	611,368
Other payables			770,453
Including: USD	1,015	7.1586	7,264
SGD	2,106	5.6179	11,829
IDR	83,873,589	0.0004	37,156
KWD	1,146	23.4478	26,881
Other currencies	/	/	687,323

Financial Statements

For the six months ended 30 June 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Items denominated in foreign currencies (Continued)

(2) Functional currency of significant overseas operating entities

Significant overseas operating entities	Principal overseas operation place	Functional currency	The basis of selecting functional currency
MCC Minera Sierra Grande S.A	Argentina	ARS	The functional currency of the overseas subsidiary is based on the operating characteristics of the enterprise and the primary currency environment in which it operates
MCC Mining (Western Australia) Pty Ltd. Australia	Australia	USD	
MCC Australia Holding Pty Ltd.	Australia	AUD	
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 Group's business is primarily operated in Chinese mainland. The Group's overseas markets span multiple countries and regions, and its overseas operating entities determine their functional currencies based on the currencies of the primary economic environments in which they operate. The functional currencies of the Group's major foreign operations have not changed during the reporting period. The aforementioned items denominated in foreign currency are determined separately by the Company, its subsidiaries, and overseas operating entities based on their respective functional currencies.

VIII. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combinations not involving enterprises under common control

(1) Business combinations not involving enterprises under common control occurred in the period

The Group's business combinations not involving enterprises under common control occurred in the reporting period are set out as follows:

On 1 May 2025, the Group acquired control over Beijing Fuze Real Estate Development Co., Ltd. through payment of cash consideration and accordingly included it in the Group's scope of consolidation at the acquisition date of control.

RMB'000

Name of acquiree	Equity acquisition cost	Equity acquisition proportion (%)	Equity acquisition method	Acquisition date	Determination basis of acquisition date
Beijing Fuze Real Estate Development Co., Ltd.	224,332	95	Acquisition	1 May 2025	Actual acquisition of control over the acquiree

Financial Statements

For the six months ended 30 June 2025

VIII. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations not involving enterprises under common control (Continued)

(2) Cost of combination and goodwill

RMB'000

Cost of combination	Amount (unaudited)
– Cash	224,332
Total cost of combination	224,332
Less: Share of fair value of identifiable net assets acquired	225,821
Amount of cost of combination less than share of fair value of identifiable net assets acquired	(1,489)

(3) The acquiree's identifiable assets and liabilities at the acquisition date

Fair value and carrying amount of the acquiree's identifiable assets and liabilities at the acquisition date are as follows (unaudited):

RMB'000

Items	Fair value at the acquisition date	Carrying amount at the acquisition date
Cash and bank balances	2,341,993	2,341,993
Other receivables	186,332	186,332
Other current assets	2	2
Long-term receivables	105,916	105,916
Accounts payable	27,716	27,716
Taxes payable	1	1
Other payables	165	165
Other current liabilities	8,745	8,745
Long-term borrowings	2,360,000	2,360,000
Fair value of identifiable net assets at the acquisition date	237,616	237,616
Minority interests	11,795	11,795
Net assets acquired	225,821	225,821

Financial Statements

For the six months ended 30 June 2025

VIII. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations not involving enterprises under common control (Continued)

(3) The acquiree's identifiable assets and liabilities at the acquisition date (Continued)

Operating results and cash flows of the acquiree in the period from the acquisition date to the end of the reporting period are set out as follows:

RMB'000

Items	For the period from the acquisition date to 30 June 2025 (unaudited)
Operating income	55,350
Net profit	833
Net cash flow	(12,438)

Net cash receipts from acquisition of the subsidiary:

RMB'000

Items	Amount (unaudited)
Price to acquire the subsidiary	224,332
Cash and cash equivalents acquired from acquisition of the subsidiary	2,341,993
Less: Cash and cash equivalents paid for acquisition of the subsidiary	224,332
Net cash receipts from acquisition of the subsidiary	2,117,661

Financial Statements

For the six months ended 30 June 2025

VIII. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of a subsidiary

(1) Loss of control over a subsidiary through single disposal

RMB'000

Name of subsidiary	Equity disposal funds	Equity disposal proportion (%)	Equity disposal method	Point in time of control losing	Determination basis of point in time of control losing	Difference between the disposal price and share of the company's net assets on the level of consolidated financial statements corresponding to the disposed investment	Remaining proportion of equity at the date when control is lost (%)	Carrying amount of remaining equity at the date when control is lost	Fair value of remaining equity at the date when control is lost	Gains or losses arising from remeasurement of remaining equity at fair value	Determination basis and major assumptions of fair value of remaining equity at the date when control is lost	Transfer of other comprehensive income related to original investment in the subsidiary to profit or loss
Xinyu MCC Environmental Protection Resources Development Co., Ltd.	151,000	51	Transfer by agreement	31 March 2025	The date when control is actually lost	2,210	-	-	-	-	N/A	-

The Group's gains of RMB2,210,000 arising from loss of control over the above subsidiary were presented under the item of investment income on the consolidated financial statements (Note VII, 58). The Group's net cash inflow arising from loss of control over the above subsidiary was RMB150,797,000.

Financial Statements

For the six months ended 30 June 2025

IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Details of secondary subsidiaries of the Group:

RMB'000

Name of subsidiary	Principal place of operation	Place of registration	Nature of business	Registered capital	Shareholding ratio (%) Direct Indirect	Acquisition method
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
Huatian 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 Corp. 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

Financial Statements

For the six months ended 30 June 2025

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Details of secondary subsidiaries of the Group: (Continued)

RMB'000

Name of subsidiary	Principal place of operation	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
China MCC 17 Group Co., Ltd.	China	Ma'anshan	Engineering contracting	2,050,000	72.39	–	Invested by shareholders
China Metallurgical Construction Engineering Group Co., Ltd.	China	Chongqing	Engineering contracting	2,449,054	85.75	–	Invested by shareholders
China MCC 19 Group Co., Ltd.	China	Panzhuhua	Engineering contracting	3,910,999	78.55	–	Invested by shareholders
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 Corp. 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 China Co., Ltd.	China	Beijing	Infrastructure contractor	9,312,258	100.00	–	Invested by shareholders
MCC (Guizhou) Construction Investment China Development Co., Ltd.	China	Guizhou	Engineering contracting	3,000,000	100.00	–	Investment establishment
MCC Road&Bridge Construction Co., Ltd.	China	Inner Mongolia	Engineering contracting	2,000,000	100.00	–	Investment establishment
MCC Zhongyuan Construction Investment China Co., Ltd.	China	Zhengzhou	Engineering contracting	500,000	100.00	–	Investment establishment
MCC Integrated Pipe Network Technology & Development Co., Ltd.	China	Baoding	Project contracting, integrated pipe network technology development	200,000	100.00	–	Investment establishment
MCC South China Construction Investment China Co., Ltd.	China	Shenzhen	Engineering contracting	500,000	51.00	–	Investment establishment
MCC (Hainan) Investment Development Co., Ltd.	China	Hainan	Engineering consulting, investment management	100,000	60.00	39.30	Investment establishment

Financial Statements

For the six months ended 30 June 2025

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Details of secondary subsidiaries of the Group: (Continued)

RMB'000

Name of subsidiary	Principal place of operation	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
MCC Urban Investment Holding Co., Ltd.	China	Guangdong	Engineering consulting, investment management	1,000,000	60.00	–	Investment establishment
MCC (Shanghai) Steel Structure Technology China Co., Ltd.	China	Shanghai	Engineering contracting	1,000,000	42.56	50.77	Invested by shareholders
MCC Ecological Environmental Protection China Group Co., Ltd.	China	Beijing	Water resource management	3,000,000	29.42	64.36	Investment establishment
MCC Great Wall Investment Co., Ltd.	China	Beijing	Investment management	15,000,000	100.00	–	Investment establishment
MCC Real Estate Group Co., Ltd.	China	Beijing	Property development	10,000,000	100.00	–	Invested by shareholders
MCC Tongsin Resources Ltd.	Pakistan	BVI	Resource development	3,172,924	100.00	–	Invested by shareholders
MCC Australia Holding Pty Ltd.	Australia	Australia	Resource development	49,016	100.00	–	Invested by shareholders
MCC-JJJ Mining Development Company Limited	China	Beijing	Resource development	3,095,703	67.02	–	Invested by shareholders
Ramu NiCo Management (MCC) Ltd.	Papua New Guinea	Papua New Guinea	Nickel cobalt ore mining and smelting	3	100.00	–	Invested by shareholders
MCC International Incorporation Ltd.	China	Beijing	Engineering contracting	100,000	100.00	–	Invested by shareholders
MCC Overseas Ltd.	China	Beijing	Engineering contracting	429,126	100.00	–	Invested by shareholders
MCC Vietnam Engineering Technology Co., Ltd.	Vietnam	Vietnam	Engineering contracting	–	100.00	–	Investment establishment
China MCC International Economic and Trade Co., Ltd.	China	Shanghai	Trading	120,000	54.58	40.64	Invested by shareholders
MCC Holding (Hong Kong) Corporation Limited	China	Hong Kong, China	Others	6,485	100.00	–	Investment establishment
MCC-SFRE Heavy Industry Equipment Co., Ltd.	China	Xi'an	Manufacture of metallurgy equipment	1,286,000	71.47	–	Invested by shareholders
MCC Mining (Western Australia) Pty Ltd.	Australia	Australia	Resource development	124,382	100.00	–	Invested by shareholders
China 13th Metallurgical Construction Corporation	China	Taiyuan	Engineering contracting	111,663	100.00	–	Invested by shareholders

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Details of secondary subsidiaries of the Group: (Continued)

(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 equity interest, 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 of which the Group is holding more than half of the equity interest

The Group has several investees in which it holds more than half of equity interest. As there is a consistent action arrangement between the Group and another shareholder, and that shareholder has one vote with the veto rights 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.

Financial Statements

For the six months ended 30 June 2025

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Subsidiaries with material minority interests

30 June 2025 (unaudited) :

RMB'000

Name of subsidiary	Proportion of equity interest held by minority interests (%)	Comprehensive income attributable to minority shareholders for the period	Declaration of cash dividends to minority interests	Minority interests at the end of the period
China MCC 17 Group Co., Ltd.	27.61	117,546	–	3,728,826
WISDRI Engineering & Research Incorporation Limited	16.92	106,065	–	2,744,740
China MCC 5 Group Corp. Ltd.	7.33	71,832	2,025	3,018,570
Shanghai Baoye Group Corp. Ltd.	9.69	53,485	704	3,162,067
China First Metallurgical Group Co., Ltd.	17.94	71,880	–	1,804,086

As at 30 June 2025, 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. The above minority interests at the end of the period includes the portion of the issued and outstanding perpetual bonds. For details of the perpetual bonds, please refer to Note VII 45.

Financial Statements

For the six months ended 30 June 2025

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Subsidiaries with material minority interests (Continued)

The following tables provide significant financial information of above subsidiaries. All amounts are before elimination among entities within the Group:

RMB'000

Name of subsidiary	30 June 2025 (unaudited)						31 December 2024					
	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.	51,371,959	9,744,373	61,116,332	48,015,377	2,453,671	50,469,048	45,604,549	9,848,718	55,453,267	42,776,159	2,454,405	45,230,564
WISDRI Engineering & Research Incorporation Limited	23,719,014	4,337,189	28,056,203	17,276,754	190,840	17,467,594	23,017,206	3,863,725	26,880,931	16,452,205	252,089	16,704,294
China MCC 5 Group Corp. Ltd.	76,213,783	18,523,340	94,737,123	75,759,146	513,456	76,272,602	67,085,968	18,482,313	85,568,281	66,688,310	1,348,109	68,036,419
Shanghai Baoye Group Corp. Ltd.	67,953,945	19,475,180	87,429,125	68,125,765	3,826,191	71,951,956	59,475,179	18,440,932	77,916,111	59,764,665	2,813,347	62,578,012
China First Metallurgical Group Co., Ltd.	45,204,402	11,515,159	56,719,561	44,992,854	2,245,009	47,237,863	42,516,294	8,754,661	51,270,955	40,634,411	1,689,507	42,323,918

RMB'000

Name of subsidiary	For the six months ended 30 June 2025 (unaudited)				For the six months ended 30 June 2024 (unaudited)			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
China MCC 17 Group Co., Ltd.	15,250,744	425,717	424,722	(3,994,657)	23,311,144	627,252	627,040	(1,677,881)
WISDRI Engineering & Research Incorporation Limited	12,015,411	399,208	398,512	318,344	12,034,709	319,940	305,323	561,139
China MCC 5 Group Corp. Ltd.	33,221,907	886,476	887,916	(792,603)	42,015,523	1,226,990	1,228,620	(1,494,555)
Shanghai Baoye Group Corp. Ltd.	26,349,387	472,847	480,178	(4,960,842)	41,321,952	710,761	761,144	(7,126,892)
China First Metallurgical Group Co., Ltd.	16,274,971	399,878	396,556	(2,135,393)	45,087,262	1,163,810	1,153,704	642,175

Financial Statements

For the six months ended 30 June 2025

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates

(1) Details of the Group's material joint ventures and associates

RMB'000

Name of associate and joint venture	Principal place of operation	Place of registration	Nature of business	Shareholding ratio (%)		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

Financial Statements

For the six months ended 30 June 2025

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)

RMB'000

Name of associate and joint venture	Principal place of operation	Place of registration	Nature of business	Shareholding ratio (%)		Accounting method
				Direct	Indirect	
Hebei Steel Luan County Sijaying Iron Ore Co., Ltd.	China	Tangshan	Processing of ferrous metal ores	14.45	–	Equity method
Xiongan Xiongshang Real Estate Co., Ltd.	China	Xiongan	Property investment and development	20.00	–	Equity method
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	China	Yingkou	Special steel production and equipment manufacturing	48.96	–	Equity method
MCC Baoding Development and Construction Co., Ltd.	China	Baoding	Civil-engineering construction	10.00	–	Equity method
Xiong'an Xiongshang Financial Island Development Co., Ltd.	China	Baoding	Property investment and development	19.00	–	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
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 infrastructural investment and construction and 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
Jiangxi Xingang Southern New Materials Co., Ltd.	China	Xinyu	Non-metallic mineral products industry	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

Financial Statements

For the six months ended 30 June 2025

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)

RMB'000

Name of associate and joint venture	Principal place of operation	Place of registration	Nature of business	Shareholding ratio (%)		Accounting method
				Direct	Indirect	
Gansu Jingli Expressway Longnan Management Co., Ltd.	China	Dingxi	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
Yinchuan Huaiyuan Road Integrated Pipe Network Construction and Management Co., Ltd.	China	Yinchuan	Construction and operation of comprehensive pipe gallery	70.00	–	Equity method
Ningguo Hechuang Yongning City Operation Management Co., Ltd.	China	Ningguo	Civil engineering construction	42.00	–	Equity method
Huanggang Lianlu Water Service Co., Ltd.	China	Huanggang	Water production and supply industry	47.00	–	Equity method

The Group has no significant interest in any single joint venture or associate above.

(a) *The grounds for holding less than 20% of the equity interest in the investees but the Group has common control or significant influence over these investees, and the grounds for holding 20% or more of the equity interest in the investees over which the Group does not have significant influence*

(i) The grounds for holding less than 20% of the equity interest in the investees but the Group has common control or significant influence over these investees

The Group has several investees in which it holds less than 20% of the equity interest but has joint control or significant influence over the investees. As the Group has a sustainable right to appoint directors to the board of the investees and has already appointed directors, the Group has 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 holding 20% or more of the equity interest in the investees over which the Group does not have significant influence

The Group has several investees in which it holds more than 20% of the equity interest but has no joint control or significant influence over the investees. As the Group has no right to assign directors of the board of directors of the investees, and does not involve in or influence 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.

Financial Statements

For the six months ended 30 June 2025

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(2) Summarised financial information of material joint ventures and associates

RMB'000

Items	At 30 June 2025 (unaudited)/ For the six months ended 30 June 2025 (unaudited)	At 31 December 2024/For the six months ended 30 June 2024 (unaudited)
Joint ventures:		
Total carrying amount of investments	10,467,482	10,359,774
Total of the followings in proportion to shareholdings		
– Net profit/(loss)	2,838	(49,504)
– Other comprehensive income	–	–
– Total comprehensive income/(loss)	2,838	(49,504)
Associates:		
Total carrying amount of investments	30,558,669	27,718,986
Total of the followings in proportion to shareholdings		
– Net (loss)/profit	(57,289)	68,925
– Other loss	(2,689)	(1,465)
– Total comprehensive (loss)/income	(59,978)	67,460

(3) In the reporting period, there are no significant restrictions on the realisation of long-term equity investments, or on the remittance of cash arising from the investment income in joint ventures and associates.

Financial Statements

For the six months ended 30 June 2025

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Equity in structured entities included in the consolidated financial statements

As at 30 June 2025, the total planned fundraising 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 30 June 2025, the amount paid by the Group was approximately RMB4,145,634,000, of which approximately RMB376,858,000 was paid by other investors, which 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 30 June 2025, the Group had cumulatively issued asset-backed securities and asset-backed notes of RMB28,601,000,000, 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 Group 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 RMB27,142,250,000 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 30 June 2025, the total amount of main structured entities not included in the consolidated financial statements participated by certain subsidiaries of the Group was approximately RMB42,259,065,000, of which approximately RMB4,987,847,000 was subscribed by the Group and approximately RMB37,271,218,000 was subscribed by other investors. Such structured entities were not consolidated as the Group does not have control over them. As at 30 June 2025, the Group's paid-in amount was approximately RMB3,671,304,000, of which approximately RMB203,120,000 was accounted for in long-term equity investments and approximately RMB3,468,184,000 was accounted for in other non-current financial assets. The Group's maximum exposure to these structured entities is the Group's carrying amount as of the balance sheet date. The Group has no obligation or intention to provide financial support to these structured entities.

Financial Statements

For the six months ended 30 June 2025

X. GOVERNMENT GRANTS

At 30 June 2025, liabilities related to government grants are as follows:

RMB'000

Government grants	Opening balance	Addition for the period	Included in non-operating income for the period	Included in other income for the period	Other changes for the period	Closing balance (unaudited)	Related to assets/ income
Deferred income	941,790	45,521	293	42,817	27,024	917,177	Related to assets/ income

There were no material government grants refund this period.

The government grants recognised in profit or loss for the period are as follows:

RMB'000

Items	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Government grants related to assets		
Recognised as other income	11,096	85,713
Recognised as operating costs	155	–
Government grants related to income		
Recognised as other income	158,128	107,050
Recognised as non-operating income	19,990	14,857
Deduct operating cost	–	172
Deduct research and development expenditure	5,396	10,028
Deduct administrative expenses	22,819	29,289
Total	217,584	247,109

Financial Statements

For the six months ended 30 June 2025

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

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. The Group's overall risk management plan addresses the unpredictability of financial markets and seeks to reduce the potential negative impact on the operating results of the Group.

(1) Market risk

(a) Foreign exchange risk

The Group's principal operations are located in China, and its principal operating activities are settled in RMB. However, the Group's recognised foreign currency assets and liabilities, as well as future foreign currency transactions (primarily denominated in USD) are still exposed to foreign exchange risk. The treasury department of the headquarters of the Group is responsible for monitoring the scale of foreign currency transactions and foreign currency assets and liabilities to minimise the associated foreign exchange risk. The Group uses foreign exchange forward contracts and currency swap contracts to hedge a portion of the exchange rate risk. According to management's assessment, a reasonable fluctuation of the RMB against foreign currencies in the near term is not expected to have a significant impact on the Group's operating results.

As at 30 June 2025, amounts of the Group's foreign currency financial assets and financial liabilities translated into RMB are set out in Note VII 69.

As at 30 June 2025, for financial assets and financial liabilities denominated 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 RMB61,003,000 higher/lower (as at 31 December 2024: approximately RMB61,369,000 higher/lower).

(b) Interest rate risk

The Group's risk of changes in fair value of financial instruments due to changes in interest rates primarily arises from bank borrowings and bonds payable at fixed rate. The differences between the fair value and the carrying amount of the above fixed-rate financial instruments are set out in Note XII 2.

The Group's risk of changes in cash flow of financial instruments due to changes in interest rates primarily arises from bank borrowings at floating rate. The Group chooses the relative proportion of borrowing contracts with floating rates and those with fixed rates according to current market conditions.

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments and risk management (Continued)

(1) Market risk (Continued)

(b) Interest rate risk (Continued)

As at 30 June 2025, short-term borrowings of the Group amounted to RMB59,345,497,000 (as at 31 December 2024: RMB33,853,836,000); long-term interest bearing debts at floating rates due within one year amounted to RMB7,888,250,000 (as at 31 December 2024: RMB5,988,647,000); long-term interest bearing debts at floating rates due over one year amounted to RMB33,482,073,000 (as at 31 December 2024: RMB26,179,967,000); long-term interest bearing debts at fixed rates due within one year amounted to RMB8,542,343,000 (as at 31 December 2024: RMB8,751,546,000); long-term interest bearing debts at fixed rates due over one year amounted to RMB18,221,531,000 (as at 31 December 2024: RMB18,818,835,000) (Notes VII 25, 34, 36, 37, 38).

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 the 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 period.

During the reporting period, 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 capitalisation involved, profit after income tax of the Group would have been RMB109,658,000 lower/higher (for the six-month period ended 30 June 2024: approximately RMB172,342,000).

During the reporting period, 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 RMB5,646,000 lower/higher (for the six-month period ended 30 June 2024: approximately RMB8,670,000).

(2) Credit risk

As at 30 June 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from: the carrying amount of the respective recognised bank deposits, notes receivable and accounts receivable, other receivables and long-term receivables in the balance sheet of the Group.

To reduce credit risk, the Group assesses the credit qualification of customers and sets the corresponding credit period based on their financial position, the possibility of obtaining guarantee from the third party, credit records and other factors, such as the prevailing market conditions. The Group regularly monitors customers' credit records. For customers with bad credit records, the Group will send written reminders, shorten the credit period or cancel the credit period to ensure that the Group's overall credit risk is under control.

Financial Statements

For the six months ended 30 June 2025

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments and risk management (Continued)

(2) Credit risk (Continued)

The credit risk on the bank deposits of the Group are 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 30 June 2025, 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 accounts receivable 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.

(3) Liquidity risk

Subsidiaries of the Group take responsibility of their own cash flow forecast. On the basis of summarising 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.

Accounts payable related to supplier financing arrangements must be paid to a bank or supply chain platform rather than individual suppliers. This has resulted in the Group's small and unsettled amounts with multiple suppliers being converted into large unsettled amounts with a bank or supply chain platform. However, the payment terms for accounts payable covered by supplier financing arrangements do not extend beyond one year, and some of these terms are the same as those for other accounts payable. Given that the payment terms have not been significantly extended, the Group does not consider supplier financing arrangements to result in an excessive concentration of liquidity risk. The Group's exposure to liquidity risk from financial institutions through supplier financing arrangements. As at 30 June 2025, the Group's future payment obligations to this financial institution accounted for 5.26% of the total liabilities, with repayment due dates ranging from 6 July 2025 to 15 June 2026.

Financial Statements

For the six months ended 30 June 2025

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments and risk management (Continued)

(3) Liquidity risk (Continued)

As at 30 June 2025, the financial liabilities and lease liabilities of the Group were analysed by their maturity dates below at their undiscounted contractual cash flows(unaudited):

RMB'000

Items	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities					
Short-term					
borrowings	60,185,875	–	–	–	60,185,875
Derivative financial					
liabilities	713,359	–	–	–	713,359
Notes payable	28,781,079	–	–	–	28,781,079
Accounts payable	357,445,588	–	–	–	357,445,588
Other payables	55,780,786	–	–	–	55,780,786
Long-term					
borrowings	17,930,250	9,398,021	23,993,832	24,544,478	75,866,581
Bonds payable	172,003	172,003	3,600,803	2,214,652	6,159,461
Lease liabilities	194,263	187,274	256,053	91,098	728,688
Long-term					
payables	475,306	498,649	325,641	470,161	1,769,757
Total	521,678,509	10,255,947	28,176,329	27,320,389	587,431,174

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

At 30 June 2025, the carrying amount of bank acceptances and commercial acceptances endorsed and discounted by the Group was RMB2,813,620,000 (as at 31 December 2024 : RMB2,785,078,000). 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 acceptances, and accordingly, it continued to recognise the full carrying amounts of the endorsed and discounted acceptances, 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 acceptances, 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 acceptances or bank borrowings obtained during the year to which the suppliers have recourse was RMB2,813,620,000 (as at 31 December 2024: RMB2,785,078,000) at 30 June 2025.

Financial Statements

For the six months ended 30 June 2025

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Transfer of financial assets (Continued)

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

At 30 June 2025, the carrying amount of bank acceptances endorsed and discounted by the Group but not yet due was RMB8,027,852,000 (as at 31 December 2024 : RMB12,216,298,000). The derecognised acceptances had a maturity of 1 to 12 months at 30 June 2025. In accordance with the Law of Negotiable Instruments, the holders of the derecognised acceptances may exercise the right of recourse against any, several or all of the persons, including the Group, liable for the derecognised acceptances 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 acceptances. Accordingly, it has derecognised the full carrying amounts of the derecognised acceptances and the associated accounts payable, and recognised discounting fees. The maximum exposure to loss from the Group's continuing involvement in the derecognised acceptances and the undiscounted cash flows to repurchase these derecognised acceptances is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's continuing involvement in the derecognised acceptances are not significant.

For the six months ended 30 June 2025, the Group did not recognise any gain or loss on the date of transfer of the derecognised acceptances. No gains or losses were recognised from the continuing involvement, both during the period or cumulatively. The endorsement and discounting have been made evenly throughout the period.

3. 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 long-term borrowings, short-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.

Financial Statements

For the six months ended 30 June 2025

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Capital management (Continued)

The gearing ratios of the Group as at 30 June 2025 and 31 December 2024 are as follows:

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Total borrowings		
Short-term borrowings (Note VII, 25)	59,345,497	33,853,836
Long-term borrowings (inclusive of those due within one year) (Note VII, 36)	62,068,296	53,272,119
Bonds payable (inclusive of those due within one year) (Note VII, 37)	5,406,850	5,455,291
Lease liabilities (inclusive of those due within one year) (Note VII, 38)	659,051	576,601
Less: Cash and cash equivalents (Note VII, 68 (2))	45,346,981	43,190,604
Net debt	82,132,713	49,967,243
Shareholders' equity	180,599,451	182,335,866
Total capital	262,732,164	232,303,109
The gearing ratio	31.26%	21.51%

Financial Statements

For the six months ended 30 June 2025

XII. FAIR VALUE DISCLOSURES

1. Assets and liabilities that are continuously measured at fair value

RMB'000

Items	Fair value at 30 June 2025 (unaudited)			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)	
I. Assets that are continuously measured at fair value				
(I) Financial assets at FVTPL	1,361	4,423,747	298,140	4,723,248
1. Held-for-trading financial assets	1,361	–	1,261	2,622
– Equity instrument investments	1,361	–	1,261	2,622
2. Other non-current financial assets	–	4,423,747	296,879	4,720,626
– Investments in unquoted funds and trust products	–	4,423,747	–	4,423,747
– Others	–	–	296,879	296,879
(II) Receivables financing	–	9,867,924	–	9,867,924
(III) Other equity instrument investments	475,835	–	1,253,017	1,728,852
Total assets that are continuously measured at fair value	477,196	14,291,671	1,551,157	16,320,024
II. Liabilities that are continuously measured at fair value				
(I) Derivative financial liabilities	–	713,359	–	713,359
Total liabilities that are continuously measured at fair value	–	713,359	–	713,359

(a) The basis of market prices determined on level 1 of the fair value hierarchy

Fair value of non-held-for-trading equity instrument investments with listed companies in held-for-trading financial assets and investments in other equity instruments is based on their closing prices of publicly traded market on the last trading day of the reporting period.

XII. FAIR VALUE DISCLOSURES (CONTINUED)

1. Assets and liabilities that are continuously measured at fair value (Continued)

(b) Qualitative and quantitative information of valuation techniques and key inputs on level 2 of the fair value hierarchy

	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 financing	Discounted cash flow method	Discounting rate of bank acceptance for the same period

(c) Qualitative and quantitative information of valuation techniques and key inputs on level 3 of the fair value hierarchy

	Valuation techniques	Key inputs
Held-for-trading financial assets – Unlisted equity investments, investments in other equity instruments – Non-held-for-trading equity instrument investments in unlisted companies, other non-current financial assets – Equity instrument investments	Cost method/Market method/Income method	Future cash flows, discount rate, discount rate for lack of marketability, and PE ratio and PB ratio of comparable listed companies from the same industry

Financial Statements

For the six months ended 30 June 2025

XII. FAIR VALUE DISCLOSURES (CONTINUED)

1. Assets and liabilities that are continuously measured at fair value (Continued)

(d) Reconciliation information for assets and liabilities that are continuously measured at Level 3 fair value

RMB'000

Items	31 December 2024	Addition for the period	Changes in fair value	Disposal for the period	30 June 2025 (unaudited)
Held-for-trading financial assets –					
Unlisted equity investments	1,261	–	–	–	1,261
Investments in other equity instruments- Non-held-for-trading equity instrument investments in unlisted companies	1,244,781	14,651	(2,595)	(3,820)	1,253,017
Other non-current financial assets –					
Equity instrument investments	297,720	–	(841)	–	296,879

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.

2. Financial assets and financial liabilities that are not continuously measured at fair value

Notes receivables, accounts receivable, other receivables, long-term receivables, non-current assets due within one year, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, long-term payables and non-current liabilities due within one year included in the financial assets and financial liabilities that are not continuously measured at fair value.

The management believes that, the carrying amounts of the above financial assets and financial liabilities measured at amortized cost approximate the fair values of such assets and liabilities.

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS

1. Details of the parent company of the Company

RMB'000

Name of the parent company	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership interest held by the parent (%)	Proportion of the Company's voting power held by the parent (%)
China Minmetals Corporation	Beijing	Integrated	10,200,000	44.26	44.26

As stated in Note III, CMC together with its other subsidiaries other than the Group are the Group's related party.

Related party transactions between the Group and CMC together with its other subsidiaries other than the Group 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 Company.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note IX, 1.

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

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 that entered into transactions with the Group during the period, or during the prior period with remaining closing balance were as follows:

Name of joint ventures and associates	Relationship with the Group
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	Joint venture
Suzhou Zhongyuanrui Real Estate Development Co., Ltd.	Joint venture
Dazhou Metallurgical Construction Engineering Project Management Co., Ltd.	Joint venture
Cangzhou Xinbei Urban Renewal Co., Ltd.	Joint venture
Beijing MCC Mingying Real Estate Development Co., Ltd.	Joint venture
Sichuan Baojiang Data Industrial Park Development and Construction Co., Ltd.	Joint venture
Wuye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	Joint venture
Chengdu Qingye Tianshun Construction Co., Ltd.	Joint venture
Ningguo Hechuang Yongning City Operation Management Co., Ltd.	Joint venture
Jiangxi Shangli Jiasheng Urban Construction and Development Co., Ltd.	Joint venture
Tianjin MCC Mingjin Real Estate Co., Ltd.	Joint venture
Shenyang Dongyi International Health Development Co., Ltd.	Joint venture
Tangshan Fengrun District Runfeng Municipal Infrastructure Development and Construction Co., Ltd.	Joint venture
Chengdu Congshu Yejian Construction Engineering Co., Ltd.	Joint venture
Qianxi County Changtu Tourism Development Co., Ltd.	Joint venture
Beijing Tiancheng Guyun Property Management Co., Ltd.	Joint venture
MCC Baoding Development and Construction Co., Ltd.	Associate
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	Associate
Sixian Siye Construction Investment Co., Ltd.	Associate
Zhengzhou Huituo Urban Rural Construction Co., Ltd.	Associate
Xi'an Metallurgical Pipe Corridor Construction Management Co., Ltd.	Associate
Lanzhou Lianhuo Expressway Qingzhong Section Construction and Development Co., Ltd.	Associate
Ma'anshan MCC High-Tech Construction Co., Ltd.	Associate

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates of the Group (Continued)

Name of joint ventures and associates	Relationship with the Group
Wuhu Hechuang Yonglong Real Estate Co., Ltd.	Associate
Binhai Shengxin Project Management Co., Ltd.	Associate
Lanzhou Olympic Sports Center Construction and Development Co., Ltd.	Associate
Ezhou Liangzihu Infrastructure Investment Construction Co., Ltd.	Associate
Dazhou Guanshi Metallurgical Construction Engineering Co., Ltd.	Associate
Suining Kaihong Construction Development Co., Ltd.	Associate
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	Associate
Ezhou Xinsheng Construction Engineering Co., Ltd.	Associate
Baoding Gongxing Pipe Corridor Project Management Co., Ltd.	Associate
Chongqing Yunkai Expressway Co., Ltd.	Associate
Xiamen International Trade Exhibition Center Co., Ltd.	Associate
Honghe Luqiu Expressway Investment and Development Co., Ltd.	Associate
Bengbu Jin'an Real Estate Co., Ltd.	Associate
Xiong'an Xiongshang Real Estate Co., Ltd.	Associate
Huangshi Urban Green Environment Development Co., Ltd.	Associate
Ma'anshan Jin'an Borui Real Estate Co., Ltd.	Associate
Huangshi Rongxin Construction Engineering Co., Ltd.	Associate
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd.	Associate
Suqian Metallurgical Construction Development Co., Ltd.	Associate
Tianjin MCC Tuanbo Urban Rural Development Co., Ltd.	Associate
Henan Ruzhou Science and Education Park Investment and Development Co., Ltd.	Associate
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	Associate
Hangzhou Fuyu Construction Management Co., Ltd.	Associate
Wuhan Huangwu Expressway Construction Management Co., Ltd.	Associate
Shandong Expressway Jiqing Middle Line Highway Co., Ltd.	Associate
Chongqing Yutao Shengye Big Data Co., Ltd.	Associate
Guizhou MCC Infrastructure Investment Co., Ltd.	Associate
MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	Associate
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	Associate

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates of the Group (Continued)

Name of joint ventures and associates	Relationship with the Group
Hangzhou Fuyang Jiarong Construction and Development Co., Ltd.	Associate
Luoyang Wending Construction Engineering Co., Ltd.	Associate
Tangshan MCC Ark Real Estate Development Co., Ltd.	Associate
Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	Associate
China 22 MCC Corporation Industrial Technology Service Co., Ltd.	Associate
Nanyang Jiaotou Yuxin Development and Construction Co., Ltd.	Associate
Yichang High Speed Railway New Town Construction Co., Ltd.	Associate
Weihai Zhiye Health Care Construction Project Management Co., Ltd.	Associate
Yunnan Yongmeng Expressway Construction and Development Co., Ltd.	Associate
Dancheng Zhongyi Ecological Environment Management Co., Ltd.	Associate
Dazhou Kaiye Engineering Project Management Co., Ltd.	Associate
Wuhan Lvyuan Construction Engineering Co., Ltd.	Associate
Guangdong Zhaoqing High Tech Construction and Development Co., Ltd.	Associate
Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	Associate
Shanghai Ruiyuan Urban Construction Development Co., Ltd.	Associate
Handan Jinrong Development and Construction Co., Ltd.	Associate
Shuicheng County Blue Ocean Huaxing Education Investment and Construction Co., Ltd.	Associate
Lanzhou Zhenghao Pipe Corridor Project Management Co., Ltd.	Associate
Shanghai Clear Science & Technology Co. Ltd	Associate
Inner Mongolia Tongye Construction Project Management Co., Ltd.	Associate
Hebei Xiong'an Rongxi Concrete Co., Ltd.	Associate
Jiaxing Wangwu Investment Co., Ltd.	Associate
Shanghai Libo Construction Co., Ltd.	Associate
Shijiazhuang Hengxi Expressway Construction Management Co., Ltd.	Associate
MCC Beris Jiangsu Heavy Industry Corporation	Associate
Shanghai Boweida Construction Engineering Co., Ltd.	Subsidiary of associate
Shanghai Siruiwei Urban Construction Engineering Co., Ltd.	Subsidiary of associate

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Company

Other related parties that entered into transactions with the Group during the period, 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 a significant subsidiary of MCC

Subsidiaries of CMC:

Qinghai Salt Lake Magnesium Industry Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Salt Lake Co., Ltd.	Under common control of China Minmetals Corporation
Anshan Minmetals Chentaigou Mining Co., Ltd.	Under common control of China Minmetals Corporation
23rd Metallurgical Construction Group Co., Ltd. of Minmetals	Under common control of China Minmetals Corporation
Hunan Shizhuyuan Nonferrous Metals Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Luzhong Mining Co., Ltd.	Under common control of China Minmetals Corporation
China Metallurgical Group Corporation	Under common control of China Minmetals Corporation
MCC Ruimu Amperex Technology Limited	Under common control of China Minmetals Corporation
Minmetals Steel Shanghai Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Logistics Group Co., Ltd.	Under common control of China Minmetals Corporation
Hunan Nonferrous Metals Co., Ltd.	Under common control of China Minmetals Corporation
Beijing Dongxing Metallurgical New Technology Development Co., Ltd.	Under common control of China Minmetals Corporation
23rd Metallurgical Construction Group Mining Engineering Co., Ltd. of Minmetals	Under common control of China Minmetals Corporation
Minmetals Steel Tianjin Co., Ltd.	Under common control of China Minmetals Corporation
China National Foreign Trade Financial & Leasing Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Xi'an Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Nonferrous Metals Co., Ltd.	Under common control of China Minmetals Corporation

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Company (Continued)

Name of other related parties	Relationship with the Group
Minmetals Steel Chengdu Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel (Wuhan) Limited Company	Under common control of China Minmetals Corporation
Minmetals Securities Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Beijing Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Trading Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Chongqing Co., Ltd.	Under common control of China Minmetals Corporation
Longteng Yunchuang Industrial Internet (Beijing) Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Steel Lanzhou Co., Ltd.	Under common control of China Minmetals Corporation
Zhuzhou Smelter Nonferrous Metals Industrial Co., Ltd.	Under common control of China Minmetals Corporation
Jianhe Innovation Technology (Hainan) Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Property Services (Hunan) Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Finance Company	Under common control of China Minmetals Corporation
China Minmetals Corporation Limited	Under common control of China Minmetals Corporation
Northern Europe Metal Minerals Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Hanxing Mining (Anhui) Property Management Co., Ltd.	Under common control of China Minmetals Corporation
Minmetals Property Management Co., Ltd.	Under common control of China Minmetals Corporation
Chengdu Hongqiang Property Management Co., Ltd.	Under common control of China Minmetals Corporation
MCC Ramu Renewable Resources Technology Development Co., Ltd.	Under common control of China Minmetals Corporation
Tangshan Runda Property Service Co., Ltd.	China Minmetals Corporation holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Yancheng Dafeng Yexin Construction Engineering Development Co., Ltd.	China Minmetals Corporation holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Longnan Metallurgical Investment Construction Management Co., Ltd.	China Minmetals Corporation holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Hubei Dongye Construction Investment Co., Ltd.	China Minmetals Corporation holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Nanyang Yuye Urban Development Co., Ltd.	China Minmetals Corporation holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Yantai Tongyuan Tianfu Construction Management Co., Ltd.	China Minmetals Corporation holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Puyang Guoye Urban Development Construction Co., Ltd.	China Minmetals Corporation holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation

Financial Statements

For the six months ended 30 June 2025

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/receipt of services

RMB'000

Related party	Details of related party transactions	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Transactions with companies under common control of CMC (Note):		3,714,138	4,912,700
Minmetals Steel Chengdu Co., Ltd.	Purchase of goods	1,184,402	1,628,721
Minmetals Steel (Wuhan) Limited Company	Purchase of goods	471,501	423,348
Minmetals Steel Tianjin Co., Ltd.	Purchase of goods	320,509	340,468
Minmetals Steel Shanghai Co., Ltd.	Purchase of goods	295,076	705,432
Minmetals Steel Beijing Co., Ltd.	Purchase of goods	216,331	109,074
Minmetals Steel Chongqing Co., Ltd.	Purchase of goods	193,148	211,409
Hunan Nonferrous Metals Co., Ltd.	Purchase of goods	171,015	–
Minmetals Nonferrous Metals Co., Ltd.	Purchase of goods	146,280	335,376
23rd Metallurgical Construction Group Co., Ltd. of Minmetals	Purchase of goods and receipt of services	134,410	126,149
Minmetals Steel Co., Ltd.	Purchase of goods	124,231	446,785
Minmetals Logistics Group Co., Ltd.	Purchase of goods and receipt of services	118,011	130,179
23rd Metallurgical Construction Group Mining Engineering Co., Ltd. of Minmetals	Receipt of services	93,791	–
Minmetals Trading Co., Ltd.	Purchase of goods	85,556	152,425
Others	Purchase of goods and receipt of services	159,877	303,334
Transactions with joint ventures and associates:		1,062,687	2,109,791
China 22 MCC Corporation Industrial Technology Service Co., Ltd.	Receipt of services	448,395	199,561
Wuye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	Purchase of goods	171,044	83,559
Shanghai Boweida Construction Engineering Co., Ltd.	Purchase of goods	170,006	1,178,552
Shanghai Ruiyuan Urban Construction Development Co., Ltd.	Purchase of goods	130,392	347,587
Shanghai Siruiwei Urban Construction Engineering Co., Ltd.	Receipt of services	58,042	127,366
MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	Purchase of goods	34,019	131,695
Hebei Xiong'an Rongxi Concrete Co., Ltd.	Purchase of goods	20,629	8,018
Others	Purchase of goods and receipt of services	30,160	33,453

Note: These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange. For the six months ended 30 June 2025, the annual approval limit for such related transactions is RMB28,300,000,000.

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(1) Purchase or sales of goods, provision or receipt of services (Continued)

(b) Sales of goods/rendering of services

RMB'000

Related party	Details of related party transactions	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Transactions with shareholders holding more than 10% of the shares of a significant subsidiary of MCC (Note):		–	326,183
Jiuquan Iron and Steel (Group) Co., Ltd. and all its subsidiaries	Sale of goods and rendering of services	–	326,183
Transactions with companies under common control of CMC (Note):		2,702,031	2,986,153
Minmetals Nonferrous Metals Co., Ltd.	Sale of goods and rendering of services	1,155,412	1,599,605
MCC Ramu Renewable Resources Technology Development Co., Ltd.	Sale of goods and rendering of services	344,679	5,934
Northern Europe Metal Minerals Co., Ltd.	Sales of goods	273,523	250,328
Minmetals Salt Lake Co., Ltd.	Rendering of services	179,271	72,342
Anshan Minmetals Chentaigou Mining Co., Ltd.	Rendering of services	132,803	79,304
Hunan Shizhuyuan Nonferrous Metals Co., Ltd.	Rendering of services	56,081	3,370
Minmetals Luzhong Mining Co., Ltd.	Rendering of services	50,869	49,763
Others	Sale of goods and rendering of services	509,393	925,507
Companies that China Minmetals Corporation holds more than 30% of their equity interest, has significant influence over them, but does not include them in the scope of consolidation (Note):		650,211	2,464,192
Hubei Dongye Construction Investment Co., Ltd.	Rendering of services	209,585	1,090,400
Nanyang Yuye Urban Development Co., Ltd.	Rendering of services	238,441	1,015,268
Yantai Tongyuan Tianfu Construction Management Co., Ltd.	Rendering of services	165,570	223,655
Longnan Metallurgical Investment Construction Management Co., Ltd.	Rendering of services	36,615	82,891
Puyang Guoye Urban Development Construction Co., Ltd.	Rendering of services	–	51,978

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(1) Purchase or sales of goods, provision or receipt of services (Continued)

(b) Sales of goods/rendering of services (Continued)

RMB'000

Related party	Details of related party transactions	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Transactions with joint ventures and associates:		22,519,419	21,274,535
Henan Ruzhou Science and Education Park Investment and Development Co., Ltd.	Rendering of services	1,881,909	13,100
Handan Jinrong Development and Construction Co., Ltd.	Rendering of services	1,639,518	401,985
Xiong'an Xiongshang Real Estate Co., Ltd.	Rendering of services	1,388,784	605,818
Guangdong Zhaoqing High Tech Construction and Development Co., Ltd.	Rendering of services	1,178,100	90,951
Huangshi Rongxin Construction Engineering Co., Ltd.	Rendering of services	1,025,252	120,870
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd.	Rendering of services	866,788	196,856
Jiangxi Shangli Jiasheng Urban Construction and Development Co., Ltd.	Rendering of services	861,864	19
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	Rendering of services	840,032	768,919
Suqian Metallurgical Construction Development Co., Ltd.	Rendering of services	821,417	226,991
Lanzhou Lianhuo Expressway Qingzhong Section Construction and Development Co., Ltd.	Rendering of services	704,010	381,752
Shijiazhuang Hengxi Expressway Construction Management Co., Ltd.	Rendering of services	558,540	–
Hangzhou Fuyang Jiarong Construction and Development Co., Ltd.	Rendering of services	555,726	11,047
Dazhou Guanshi Metallurgical Construction Engineering Co., Ltd.	Rendering of services	489,176	487,873
Yichang High Speed Railway New Town Construction Co., Ltd.	Rendering of services	474,240	944,392
MCC Baoding Development and Construction Co., Ltd.	Rendering of services	432,771	443,737
Huangshi Urban Green Environment Development Co., Ltd.	Rendering of services	367,070	24,929
Chongqing Yunkai Expressway Co., Ltd.	Rendering of services	360,706	250,935
Others	Sale of goods and rendering of services	8,073,516	16,304,361

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange. For the six months ended 30 June 2025, the annual approval limit for such related transactions is RMB20,100,000,000.

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(2) Related party leases

(a) The Group as a lessor

RMB'000

Name of lessee	Type of leased assets	Leasing income recognised for the six months ended 30 June 2025 (unaudited)	Leasing income recognised for the six months ended 30 June 2024 (unaudited)
China Metallurgical Group Corporation (Note)	Buildings, structures	7,461	2,131
Beijing Tiancheng Guyun Property Management Co., Ltd.	Buildings, structures	7,190	–
Tangshan Runda Property Service Co., Ltd.	Buildings, structures	1,992	1,290
Others	Buildings, structures	551	514
Total	/	17,194	3,935

(b) The Group as a lessee

RMB'000

Name of lessor	Type of leased assets	Lease liabilities as at 30 June 2025 (unaudited)	Increase in cost of right-of-use assets for the six months ended 30 June 2025 (unaudited)	Lease expenses recognised for the six months ended 30 June 2025 (unaudited)
China Metallurgical Group Corporation (Note)	Buildings, structures	88,510	–	24,961
Tangshan Runda Property Service Co., Ltd. (Note)	Buildings, structures	–	–	8,820
Beijing Dongxing Metallurgical New Technology Development Co., Ltd. (Note)	Buildings, structures	12,259	–	3,033
Minmetals Property Services (Hunan) Co., Ltd. (Note)	Buildings, structures	–	–	2,031
Beijing Tiancheng Guyun Property Management Co., Ltd.	Buildings, structures	–	–	1,866
Chengdu Hongqiang Property Management Co., Ltd.	Buildings, structures	–	–	774
Minmetals Hanxing Mining (Anhui) Property Management Co., Ltd. (Note)	Buildings, structures	–	–	743
Minmetals Property Management Co., Ltd. (Note)	Buildings, structures	–	–	484
Total	/	100,769	–	42,712

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(3) Guarantees for related parties

30 June 2025 (unaudited) :

(a) The Group as the guarantor

RMB'000

Guarantee	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.	304,674	05/09/2023	05/09/2027	No
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	472,244	05/09/2023	05/09/2027	No

(b) The Group as the party being granted credit

RMB'000

Credit grantor	Types of credit	Credit line	Inception date of credit	Expiration date of credit	The credit line that has been used
Minmetals Finance Company (Note)	Loans	13,000,000	08/02/2025	08/02/2027	7,210,000
Minmetals Finance Company (Note)	Acceptance, non-financing letters of guarantee, and others	1,500,000	08/02/2025	08/02/2027	-
Minmetals Finance Company (Note)	Notes discounting	500,000	08/02/2025	08/02/2027	-
Total		15,000,000	/	/	7,210,000

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(4) Financing with related parties

RMB'000

Related party	Amount	Inception date	Expiration date	Notes
Borrowings				
Minmetals Finance Company (Note)	2,000,000	27/02/2025	26/02/2026	Working capital borrowings
Minmetals Finance Company (Note)	2,000,000	25/03/2025	24/03/2026	Working capital borrowings
Minmetals Finance Company (Note)	1,000,000	25/04/2025	24/04/2026	Working capital borrowings
Minmetals Finance Company (Note)	1,500,000	28/04/2025	27/04/2026	Working capital borrowings
Minmetals Finance Company (Note)	10,000	01/01/2025	31/12/2025	Working capital borrowings
Total	6,510,000	/	/	/

RMB'000

Related party	Amount	Inception date	Expiration date	Notes
Lending				
Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	147,000	01/01/2025	30/06/2025	Borrowings
Total	147,000	/	/	/

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

Financing with related parties above are interest-bearing. The interest rates ranged from 1.35% to 3.95%.

(5) Compensation to key management personnel

RMB'000

Compensation to key management personnel	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Total	3,417	5,127

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(6) Other related party transactions

RMB'000

Related party	Details of transactions	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Minmetals Finance Company (Note)	Interest income	31,961	16,539
Beijing MCC Mingying Real Estate Development Co., Ltd.	Interest income	20,476	57,640
Yancheng Dafeng Yexin Construction Engineering Development Co., Ltd.	Interest income	19,084	–
Suzhou Zhongyuanrui Real Estate Development Co., Ltd.	Interest income	17,878	47,885
Suining Kaihong Construction Development Co., Ltd.	Interest income	9,448	–
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	Interest income	9,041	9,471
Tianjin MCC Mingjin Real Estate Co., Ltd.	Interest income	8,691	11,932
Others	Interest income	39,471	29,253
Total		156,050	172,720
Minmetals Finance Company (Note)	Interest expenses	111,323	38,380
China National Foreign Trade Financial & Leasing Co., Ltd. (Note)	Interest expenses	–	3,581
China Metallurgical Group Corporation (Note)	Interest expenses	3,150	3,150
Total		114,473	45,111

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties

(1) Receivables

RMB'000

Item	Related party	30 June 2025(unaudited)		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Accounts receivable	MCC Baoding Development and Construction Co., Ltd.	2,105,002	64,534	2,574,078	61,724
Accounts receivable	Yunnan Mangliang Expressway Investment and Development Co., Ltd.	771,623	3,858	772,073	3,860
Accounts receivable	Sixian Siye Construction Investment Co., Ltd.	702,996	34,488	676,335	17,877
Accounts receivable	MCC Beris Jiangsu Heavy Industry Corporation	565,675	565,675	566,675	566,647
Accounts receivable	Zhengzhou Huituo Urban Rural Construction Co., Ltd.	506,692	10,793	467,353	4,674
Accounts receivable	Xi'an Metallurgical Pipe Corridor Construction Management Co., Ltd.	503,215	13,187	266,964	3,803
Accounts receivable	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	462,192	7,526	437,474	7,459
Accounts receivable	Lanzhou Lianhuo Expressway Qingzhong Section Construction and Development Co., Ltd.	461,497	9,971	563,581	5,636
Accounts receivable	Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	454,823	3,577	530,039	3,877
Accounts receivable	Ma'anshan MCC High-Tech Construction Co., Ltd.	453,999	17,355	400,142	4,324
Accounts receivable	Wuhu Hechuang Yonglong Real Estate Co., Ltd.	392,333	6,473	348,544	5,751
Accounts receivable	Binhai Shengxin Project Management Co., Ltd.	391,281	7,893	553,984	5,888
Accounts receivable	Lanzhou Olympic Sports Center Construction and Development Co., Ltd.	390,556	11,348	211,298	4,688
Accounts receivable	Ezhou Liangzihu Infrastructure Investment Construction Co., Ltd.	369,522	3,695	241,168	3,808
Accounts receivable	Qinghai Salt Lake Magnesium Industry Co., Ltd.	352,123	325,810	362,876	362,833
Accounts receivable	Others	17,391,905	1,167,581	14,518,709	529,382
Total		26,275,434	2,253,764	23,491,293	1,592,231

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(1) Receivables (Continued)

RMB'000

Item	Related party	30 June 2025(unaudited)		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other receivables	Beijing MCC Mingying Real Estate Development Co., Ltd.	2,334,334	23,343	2,334,298	19,002
Other receivables	Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	1,879,097	859,950	1,878,947	859,947
Other receivables	Suzhou Zhongyuanrui Real Estate Development Co., Ltd.	1,254,085	67,863	1,255,013	67,863
Other receivables	Tianjin MCC Tuanbo Urban Rural Development Co., Ltd.	562,456	2,812	555,357	2,777
Other receivables	Tianjin MCC Mingjin Real Estate Co., Ltd.	491,013	4,910	479,017	–
Other receivables	MCC Baoding Development and Construction Co., Ltd.	397,023	1,987	520,552	2,771
Other receivables	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	386,722	3,867	386,722	1,506
Other receivables	Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	339,754	3,400	389,303	3,895
Other receivables	Hangzhou Fuyu Construction Management Co., Ltd.	321,121	5,298	314,510	5,189
Other receivables	Tangshan MCC Ark Real Estate Development Co., Ltd.	299,832	89,217	292,177	86,920
Other receivables	Others	5,677,424	1,392,300	9,355,415	1,123,449
Total		13,942,861	2,454,947	17,761,311	2,173,319
Prepayments	23rd Metallurgical Construction Group Co., Ltd. of Minmetals	41,657	–	40,808	–
Prepayments	Hunan Nonferrous Metals Co., Ltd.	26,805	–	–	–
Prepayments	MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	22,680	–	17,717	–
Prepayments	Minmetals Steel Xi'an Co., Ltd.	16,108	–	16,108	–
Prepayments	Minmetals Trading Co., Ltd.	14,572	–	804	–
Prepayments	Shanghai Libo Construction Co., Ltd.	11,206	–	60,584	–
Prepayments	Shanghai Boweida Construction Engineering Co., Ltd.	8,231	–	–	–
Prepayments	Others	37,603	–	84,502	–
Total		178,862	–	220,523	–

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(1) Receivables (Continued)

RMB'000

Item	Related party	30 June 2025(unaudited)		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Contract assets	Xiong'an Xiongshang Real Estate Co., Ltd.	918,780	19,570	319,478	9,297
Contract assets	Chongqing Yunkai Expressway Co., Ltd.	877,249	14,393	768,191	14,540
Contract assets	Yunnan Yongmeng Expressway Construction and Development Co., Ltd.	762,907	12,283	741,698	14,018
Contract assets	MCC Baoding Development and Construction Co., Ltd.	589,166	9,079	373,875	4,409
Contract assets	Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	488,713	4,887	256,414	2,594
Contract assets	Yichang High Speed Railway New Town Construction Co., Ltd.	468,305	9,366	78	2
Contract assets	Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	450,091	5,640	209,171	2,995
Contract assets	Shandong Expressway Jiqing Middle Line Highway Co., Ltd.	436,892	2,184	453,607	2,268
Contract assets	Others	14,610,154	448,582	11,147,445	174,387
Total		19,602,257	525,984	14,269,957	224,510
Long-term receivables	Xiamen International Trade Exhibition Center Co., Ltd.	730,080	12,046	730,080	12,046
Long-term receivables	Guizhou MCC Infrastructure Investment Co., Ltd.	715,393	11,804	704,895	11,631
Long-term receivables	Suining Kaihong Construction Development Co., Ltd.	390,661	1,953	391,196	1,956
Long-term receivables	Sichuan Baojiang Data Industrial Park Development and Construction Co., Ltd.	265,249	4,377	260,534	4,299
Long-term receivables	Shuicheng County Blue Ocean Huaxing Education Investment and Construction Co., Ltd.	241,157	14,469	248,157	14,889
Long-term receivables	Weihai Zhiye Health Care Construction Project Management Co., Ltd.	229,376	—	240,944	—
Long-term receivables	Wuhan Huangwu Expressway Construction Management Co., Ltd.	191,872	959	161,872	—
Long-term receivables	Ningguo Hechuang Yongning City Operation Management Co., Ltd.	181,248	2,991	—	—
Long-term receivables	Others	842,316	26,822	177,228	12,111
Total		3,787,352	75,421	2,914,906	56,932

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables

RMB'000

Item	Related party	30 June 2025 (unaudited)	31 December 2024
Notes payable	Minmetals Steel Chengdu Co., Ltd.	230,998	6,878
	Shanghai Ruiyuan Urban Construction Development Co., Ltd.	177,652	280,069
Notes payable	Minmetals Steel Shanghai Co., Ltd.	145,742	268,505
Notes payable	Minmetals Steel (Wuhan) Limited Company	55,048	498,513
Notes payable	Minmetals Steel Beijing Co., Ltd.	29,309	158,785
Notes payable	Others	99,377	232,917
Total		738,126	1,445,667
Accounts payable	Longteng Yunchuang Industrial Internet (Beijing) Co., Ltd.	1,420,186	508,273
Accounts payable	Shanghai Boweida Construction Engineering Co., Ltd.	812,419	829,693
Accounts payable	Minmetals Steel Chengdu Co., Ltd.	458,898	276,776
Accounts payable	Minmetals Steel Tianjin Co., Ltd.	322,177	238,230
Accounts payable	Wuye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	306,122	266,578
Accounts payable	Minmetals Steel Beijing Co., Ltd.	259,566	64,829
Accounts payable	Minmetals Steel (Wuhan) Limited Company	246,258	42,146
Accounts payable	Minmetals Steel Shanghai Co., Ltd.	209,432	175,351
Accounts payable	Minmetals Trading Co., Ltd.	127,057	140,437
Accounts payable	Minmetals Steel Lanzhou Co., Ltd.	104,801	103,711
Accounts payable	China 22 MCC Corporation Industrial Technology Service Co., Ltd.	101,744	153,227
Accounts payable	Others	878,366	499,565
Total		5,247,026	3,298,816

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables (Continued)

RMB'000

Item	Related party	30 June 2025 (unaudited)	31 December 2024
Other payables	China Metallurgical Group Corporation	1,101,576	1,097,707
Other payables	Chongqing Yutao Shengye Big Data Co., Ltd.	361,280	418,280
Other payables	Ezhou Xinsheng Construction Engineering Co., Ltd.	360,782	390,782
Other payables	Bengbu Jin'an Real Estate Co., Ltd.	294,981	159,360
Other payables	Honghe Luqiu Expressway Investment and Development Co., Ltd.	254,000	257,237
Other payables	Chengdu Qingye Tianshun Construction Co., Ltd.	250,000	–
Other payables	Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	242,722	192,722
Other payables	Puyang Guoye Urban Development Construction Co., Ltd.	234,000	242,000
Other payables	Luoyang Wending Construction Engineering Co., Ltd.	205,148	38,000
Other payables	Ma'anshan Jin'an Borui Real Estate Co., Ltd.	196,963	196,963
Other payables	Zhuzhou Smelter Nonferrous Metals Industrial Co., Ltd.	166,267	166,959
Other payables	Dancheng Zhongyi Ecological Environment Management Co., Ltd.	150,000	150,000
Other payables	Chengdu Congshu Yejian Construction Engineering Co., Ltd.	137,862	–
Other payables	Wuhan Lv Yuan Construction Engineering Co., Ltd.	128,400	127,000
Other payables	Others	2,275,436	2,592,176
Total		6,359,417	6,029,186

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables (Continued)

RMB'000

Item	Related party	30 June 2025 (unaudited)	31 December 2024
Contract liabilities	Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	296,805	312,713
Contract liabilities	Cangzhou Xinbei Urban Renewal Co., Ltd	245,967	–
Contract liabilities	Shenyang Dongyi International Health Development Co., Ltd.	200,000	–
Contract liabilities	Lanzhou Zhenghao Pipe Corridor Project Management Co., Ltd.	98,060	98,060
Contract liabilities	Tangshan Fengrun District Runfeng Municipal Infrastructure Development and Construction Co., Ltd.	61,276	62,510
Contract liabilities	Inner Mongolia Tongye Construction Project Management Co., Ltd.	60,000	60,000
Contract liabilities	Nanyang Jiaotou Yuxin Development and Construction Co., Ltd.	51,868	–
Contract liabilities	MCC Ramu New Energy Technology Co., Ltd.	44,246	467
Contract liabilities	China Minmetals Corporation	39,150	51,281
Contract liabilities	Anshan Minmetals Chentaigou Mining Co., Ltd.	31,345	8,061
Contract liabilities	Qianxi County Changtu Tourism Development Co., Ltd.	30,243	31,583
Contract liabilities	Hunan Shizhuyuan Nonferrous Metals Co., Ltd.	25,542	13,907
Contract liabilities	Others	241,458	415,682
Total		1,425,960	1,054,264

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables (Continued)

RMB'000

Item	Related party	30 June 2025 (unaudited)	31 December 2024
Non-current liabilities due within one year	China National Foreign Trade Financial & Leasing Co., Ltd.	7,509	8,617
Non-current liabilities due within one year	China Metallurgical Group Corporation	457,225	457,242
Non-current liabilities due within one year	China Minmetals Corporation Limited	6	6
Total		464,740	465,865
Long-term borrowings	China Metallurgical Group Corporation	10,000	10,000
Long-term borrowings	China Minmetals Corporation Limited	15,000	15,000
Total		25,000	25,000
Long-term payables	China National Foreign Trade Financial & Leasing Co., Ltd.	56,272	62,549
Long-term payables	Jianhe Innovation Technology (Hainan) Co., Ltd.	71,014	60,964
Total		127,286	123,513

Financial Statements

For the six months ended 30 June 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

7. Cash and bank balances in related parties

RMB'000

Related party	30 June 2025 (unaudited)	31 December 2024
Minmetals Finance Company	4,447,009	8,337,128
Total	4,447,009	8,337,128

Note: As at 30 June 2025, the annual interest rate of the above deposits was 0.35% to 1.15% (31 December 2024: 0.35% to 1.15%).

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital expenditure commitments

As at the balance sheet date, the Group had capital expenditure commitments contracted but not recognised in the balance sheet were as follows:

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Buildings, structures and equipment	23,067,051	23,323,989
Intangible assets	4,366,632	13,575,106
Total	27,433,683	36,899,095

Financial Statements

For the six months ended 30 June 2025

XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies

(1) Significant contingencies at the balance sheet date

(a) Pending litigation or arbitration

As at 30 June 2025, objects of pending litigation or arbitration in which the Group acted as defendant amounted to RMB7,715,805,000 (as at 31 December 2024: RMB6,714,398,000).

The Group has been named in a number of lawsuits and other legal proceedings arising in the ordinary course of business. Provisions 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 provisions will be made for the above pending lawsuits if management determines the outflow of resources is not probable. As at 30 June 2025, management has made provisions for pending lawsuits of RMB237,160,000, details of which are set out in Note VII 41.

(b) Financial guarantees given to banks

(i) Mortgage guarantees

RMB'000

Guarantor	30 June 2025 (unaudited)
Mortgage guarantees	4,826,780

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.

(ii) Loan guarantees

RMB'000

Guarantor	Guarantee	30 June 2025 (unaudited)
MCC Real Estate Group Co., Ltd.	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	472,244
China MCC 20 Group Co., Ltd.	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	304,674

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 (Continued)

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 it. 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 RMB304,674,000 and the maximum guaranteed amount was RMB520,000,000, and the guarantee period was from 5 September 2023 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 RMB472,244,000, and the maximum guaranteed amount was RMB806,000,000. The guarantee period was 5 September 2023 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.

(c) Others

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 minimise 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 provisions for loss are recognised in these financial statements.

Financial Statements

For the six months ended 30 June 2025

XV. EVENTS AFTER THE BALANCE SHEET DATE

As at the date of this report being approved to issue, the Group did not have any significant events after the end of the reporting period that require disclosure.

XVI. OTHER SIGNIFICANT EVENTS

1. Segment information

(1) *Determination basis and accounting policies of reporting segments*

The Group determines operating segments based on internal organisation structure, management requirements and internal reporting systems, and determines reporting segments and discloses segment information on the basis of 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, 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.

The management of the Group has performed assessments of the operating results of engineering contracting, featured business and comprehensive real estate. 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.

Inter-segment transfers are measured on the basis of actual transaction prices. Segment revenue and segment expenses are determined on the basis of actual revenue and expenses of each segment. Segment assets and liabilities are allocated according to the attributable assets employed by a segment in its operating activities and the attributable liabilities resulting from the operating activities of a segment.

Financial Statements

For the six months ended 30 June 2025

XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (Continued)

(2) Financial information of reporting segments

(a) Segment information for the six months ended 30 June 2025 and at 30 June 2025 (unaudited)

RMB'000

Items	Engineering contracting	Featured business	Comprehensive real estate	Others	Unallocated amounts	Elimination between segments	Total
Operating income	216,914,903	18,313,213	4,796,848	183,552	-	(2,675,804)	237,532,712
Including: Revenue from external customers	215,749,172	16,873,613	4,790,806	119,121	-	-	237,532,712
Revenue between segments	1,165,731	1,439,600	6,042	64,431	-	(2,675,804)	-
Impairment losses of credit	(1,237,744)	(164,785)	(502,506)	(479)	-	-	(1,905,514)
Impairment losses of assets	(990,304)	(66,783)	(656,410)	-	-	13,414	(1,700,083)
Depreciation and amortisation expenses	(1,077,136)	(880,719)	(219,133)	(20,405)	-	-	(2,197,393)
Total profit/(loss)	6,299,636	1,323,045	(1,847,198)	9,351	(102,432)	(403,253)	5,279,149
Net profit/(loss)	5,452,954	1,093,961	(1,976,248)	8,010	(102,432)	(403,253)	4,072,992
Assets	705,850,496	70,706,746	130,043,171	6,637,322	9,194,724	(65,026,420)	857,406,039
Liabilities	580,662,358	48,111,993	108,276,533	5,471,234	140,387	(65,855,917)	676,806,588

(b) Segment information for the six months ended 30 June 2024 (unaudited) and at 31 December 2024

RMB'000

Items	Engineering contracting	Featured business	Comprehensive real estate	Others	Unallocated amounts	Elimination between segments	Total
Operating income	277,363,228	19,323,804	5,029,641	343,210	-	(3,218,356)	298,841,527
Including: Revenue from external customers	275,436,672	18,222,536	5,022,758	159,561	-	-	298,841,527
Revenue between segments	1,926,556	1,101,268	6,883	183,649	-	(3,218,356)	-
Impairment losses of credit	(2,506,815)	(157,419)	(110,449)	(2,225)	-	-	(2,776,908)
Impairment losses of assets	(927,744)	(55,797)	(1,105,615)	-	-	-	(2,089,156)
Depreciation and amortisation expenses	(963,764)	(844,841)	(213,231)	(37,188)	-	-	(2,059,024)
Total profit/(loss)	6,455,530	1,533,260	(1,990,775)	30,214	(142,688)	(204,393)	5,681,148
Net profit/(loss)	5,656,998	1,358,087	(1,991,912)	24,540	(142,688)	(204,393)	4,700,632
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

Financial Statements

For the six months ended 30 June 2025

XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (Continued)

(3) Other explanations

- (a) Revenue from external customers classified by source of income and non-current assets classified by geographic locations

RMB'000

Items	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Revenue from external customers in China	223,052,403	285,535,847
Revenue from external customers in other countries/(regions)	14,480,309	13,305,680
Total	237,532,712	298,841,527

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Non-current assets in China	129,471,832	126,217,038
Non-current assets in other countries/(regions)	12,243,980	12,101,837
Total	141,715,812	138,318,875

Note: The above non-current assets do not include deferred tax assets and financial assets.

- (b) Degree of reliance on major customers

There is not any external customer the revenue from whom counted 10% or over 10% of the operating revenue of the Group.

Financial Statements

For the six months ended 30 June 2025

XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Net current assets and total assets less current liabilities

(1) Net current assets

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Current assets	643,198,629	599,767,170
Less: Current liabilities	617,712,484	573,629,900
Net current assets	25,486,145	26,137,270

(2) Total assets less current liabilities

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Total assets	857,406,039	808,015,755
Less: Current liabilities	617,712,484	573,629,900
Total assets less current liabilities	239,693,555	234,385,855

Financial Statements

For the six months ended 30 June 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Aging analysis

RMB'000

Aging	30 June 2025 (unaudited)	31 December 2024
Within 1 year	39,073	160,614
1 to 2 years	153,999	240,328
2 to 3 years	168,239	52,803
3 to 4 years	97,813	98,794
4 to 5 years	—	308
Over 5 years	25,092	25,092
Total gross carrying amount	484,216	577,939
Less: Credit loss allowance	43,025	39,082
Carrying amount	441,191	538,857

Settlement of accounts receivable 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 issuing billing of construction service or date of revenue recognition.

(2) Changes in credit loss allowance of accounts receivable

RMB'000

Items	31 December 2024	Provision	Reversal	30 June 2025 (unaudited)
Credit loss allowance	39,082	3,943	—	43,025

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(3) The five largest accounts receivable, contract assets and other non-current assets collected by arrears at 30 June 2025 (unaudited):

RMB'000

Name	Balance of accounts receivable as at 30 June 2025	Balance of contract assets as at 30 June 2025	Balance of other non-current assets as at 30 June 2025	Total balance of accounts receivable, contract assets and other non-current assets as at 30 June 2025	As a percentage of total closing balance of accounts receivable, contract assets and other non-current assets (%)	Total balance of credit loss allowance of accounts receivable, provision for impairment of contract assets and other non-current assets as at 30 June 2025
Party 1	145,916	–	332,459	478,375	18.00	19,918
Party 2	136,070	242,818	77,782	456,670	17.19	–
Party 3	40,287	301,712	–	341,999	12.87	–
Party 4	100,265	207,712	28,490	336,467	12.66	17,581
Party 5	–	304,349	–	304,349	11.45	–
Total	422,538	1,056,591	438,731	1,917,860	72.17	37,499

2. Other receivables

(1) Classification of other receivables

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Interest receivable	10,574,000	9,720,279
Dividends receivable	4,187,140	4,525,042
Other receivables	69,285,487	58,091,831
Total	84,046,627	72,337,152

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(2) Interest receivable

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Subsidiaries of the Company	11,269,767	10,416,046
Less: Credit loss allowance	695,767	695,767
Total	10,574,000	9,720,279

(3) Dividends receivable

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Subsidiaries of the Company	4,187,140	4,525,042
Total	4,187,140	4,525,042

At 30 June 2025, the closing balance of dividends receivable aged more than one year was RMB3,607,028,000 (as at 31 December 2024: RMB3,641,979,000).

Financial Statements

For the six months ended 30 June 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables

(a) Aging analysis

RMB'000

Aging	30 June 2025 (unaudited)	31 December 2024
Within 1 year	20,276,642	10,694,422
1 to 2 years	3,939,955	2,857,244
2 to 3 years	4,139,764	3,384,280
3 to 4 years	1,910,939	11,695,285
4 to 5 years	9,796,518	2,262,833
Over 5 years	35,722,067	33,698,162
Total gross carrying amount	75,785,885	64,592,226
Less: Credit loss allowance	6,500,398	6,500,395
Carrying amount	69,285,487	58,091,831

(b) Other receivables classified by nature

RMB'000

Nature of other receivables	30 June 2025 (unaudited)	31 December 2024
Subsidiaries of the Company	75,603,972	64,386,944
Deposits and guarantees	90,640	94,077
Others	91,273	111,205
Total	75,785,885	64,592,226

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

(c) Disclosure of methods for determining credit loss allowance by category

30 June 2025 (unaudited)

RMB'000

Category	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Other receivables for which credit loss allowance are individually assessed	75,752,241	99.96	6,467,087	8.54	69,285,154
Other receivables for which credit loss allowance are collectively assessed on credit risk characteristics	33,644	0.04	33,311	99.01	333
Total	75,785,885	100.00	6,500,398	8.58	69,285,487

31 December 2024

RMB'000

Category	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Other receivables for which credit loss allowance are individually assessed	64,555,137	99.94	6,467,087	10.02	58,088,050
Other receivables for which credit loss allowance are collectively assessed on credit risk characteristics	37,089	0.06	33,308	89.81	3,781
Total	64,592,226	100.00	6,500,395	10.06	58,091,831

Financial Statements

For the six months ended 30 June 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

(c) Disclosure of methods for determining credit loss allowance by category (Continued)

Other receivables for which credit loss allowance are individually assessed

RMB'000

Name	30 June 2025 (unaudited)			Reasons
	Gross carrying amount	Credit loss allowance	Proportion of provision (%)	
Party 1	36,146,360	—	/	The Company considered the reasonable and supported information related to other party (including forward-looking information), then evaluated the expected credit losses and made allowance for credit losses.
Party 2	6,824,081	3,719,055	54.50	
Party 3	5,637,363	—	/	
Party 4	3,879,171	—	/	
Party 5	3,652,670	—	/	
Others	19,612,596	2,748,032	14.01	
Total	75,752,241	6,467,087	8.54	/

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

(d) Changes in allowance for credit losses on other receivables

For the six months ended 30 June 2025 (unaudited)

RMB'000

Items	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL (not credit-impaired)	Life-time ECL (credit-impaired)	
Credit loss allowance at 31 December 2024	2	–	6,500,393	6,500,395
Provision	3	–	–	3
Credit loss allowance at 30 June 2025	5	–	6,500,393	6,500,398

(e) As at 30 June 2025, top five of other receivables categorised by debtor at the end of the period (unaudited)

RMB'000

Name	Relationship with the Company	Nature of the amount	Aging	30 June 2025	Credit loss allowance at 30 June 2025	As a percentage of total other receivables (%)
Party 1	Subsidiaries	Advances/internal loans	1 to 3 years, 4 to 5 years, Over 5 years	36,146,360	–	47.70
Party 2	Subsidiaries	Advances/internal loans	Within 1 year, 1 to 4 years, Over 5 years	6,824,081	3,719,055	9.00
Party 3	Subsidiaries	Advances/internal loans	1 to 5 years, Over 5 years	5,637,363	–	7.44
Party 4	Subsidiaries	Advances/internal loans/prepayment for goods	Within 1 year, 3 to 4 years, Over 5 years	3,879,171	–	5.12
Party 5	Subsidiaries	Advances/internal loans	1 to 4 years, Over 5 years	3,652,670	–	4.82
Total	/	/	/	56,139,645	3,719,055	74.08

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term receivables

(1) Classification of long-term receivables

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Subsidiaries of the Company	282,350	405,201
Others	2,037	2,037
Total gross carrying amount	284,387	407,238
Less: Credit loss allowance of long-term receivables	138,660	138,660
Total net book value	145,727	268,578
Less: Long-term receivables due within one year, net	9	10
Long term receivables due after one year, net	145,718	268,568

(2) Changes in credit loss allowance of long-term receivables

For the six months ended 30 June 2025, changes in credit loss allowance of long-term receivables based on 12-month expected credit losses and lifetime expected credit losses are as follows(unaudited):

RMB'000

Items	Stage 1 12-month ECL	Stage 2 Life-time ECL (not credit-impaired)	Stage3 Life-time ECL (credit-impaired)	Total
Credit loss allowance at 31 December 2024 and 30 June 2025	-	-	138,660	138,660

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments

RMB'000

Items	30 June 2025 (unaudited)			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Investments in subsidiaries	100,477,081	923,201	99,553,880	99,961,142	923,201	99,037,941
Investments in joint ventures and associates	489,550	113,146	376,404	495,320	113,146	382,174
Total	100,966,631	1,036,347	99,930,284	100,456,462	1,036,347	99,420,115

(1) Investments in subsidiaries

RMB'000

Investee	Gross carrying amount at 31 December 2024			Gross carrying amount at 30 June 2025 (unaudited)	Impairment provision at 30 June 2025 (unaudited)	Carrying amount at 30 June 2025 (unaudited)	Cash dividend declared (unaudited)
		Increase	Decrease				
MCC Real Estate Group Co., Ltd.	10,814,517	-	-	10,814,517	-	10,814,517	-
MCC Communication Construction Group China 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	-
Shanghai Baoye Group Corp. Ltd.	6,710,953	-	-	6,710,953	-	6,710,953	-
WISDRI Engineering & Research Incorporation Limited	5,453,492	-	-	5,453,492	-	5,453,492	-
China MCC 5 Group Corp. Ltd.	5,022,567	-	-	5,022,567	-	5,022,567	-
CISDI Group Co., Ltd.	4,368,886	-	-	4,368,886	-	4,368,886	-
China ENFI Engineering Co., Ltd.	4,357,614	-	-	4,357,614	-	4,357,614	-
MCC Tongsin Resources Ltd.	3,901,082	315,939	-	4,217,021	-	4,217,021	-
China 22MCC Group Co., Ltd.	3,487,199	-	-	3,487,199	-	3,487,199	-
China MCC 19 Group Co., Ltd.	3,476,455	-	-	3,476,455	-	3,476,455	-
Central Research Institute of Building and Construction Co., Ltd.	3,059,049	-	-	3,059,049	-	3,059,049	-
MCC-JJJ Mining Development Company Limited	2,849,805	-	-	2,849,805	-	2,849,805	-

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(1) Investments in subsidiaries (Continued)

RMB'000

Investee	Gross carrying amount at 31 December 2024	Increase	Decrease	Gross carrying amount at 30 June 2025 (unaudited)	Impairment provision at 30 June 2025 (unaudited)	Carrying amount at 30 June 2025 (unaudited)	Cash dividend declared (unaudited)
China Huaye Group Co., Ltd.	2,412,037	-	-	2,412,037	-	2,412,037	-
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	-
China Metallurgical Construction Engineering Group Co., Ltd.	2,085,910	-	-	2,085,910	-	2,085,910	-
China First Metallurgical Group Co., Ltd.	2,045,090	-	-	2,045,090	-	2,045,090	-
ACRE Coking & Refractory Engineering Consulting Corporation, MCC	1,898,546	-	-	1,898,546	-	1,898,546	-
China MCC 17 Group Co., Ltd.	1,755,361	-	-	1,755,361	-	1,755,361	-
China MCC 20 Group Co., Ltd.	1,680,279	-	-	1,680,279	-	1,680,279	-
China MCC 3 Group Co., Ltd.	1,600,096	-	-	1,600,096	140,096	1,460,000	-
China Second Metallurgical Group Co., Ltd.	1,540,924	-	-	1,540,924	-	1,540,924	-
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	-
Zhong Ye Chang Tian International Engineering Co., Ltd.	991,130	-	-	991,130	-	991,130	-
Northern Engineering & Technology Corporation, MCC	826,271	-	-	826,271	-	826,271	-
Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC	823,777	200,000	-	1,023,777	-	1,023,777	200,000
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	789,593	-	-	789,593	-	789,593	-
MCC Ecological Environmental Protection China Group Co., Ltd.	750,000	-	-	750,000	-	750,000	-
MCC Road&Bridge Construction Co., Ltd.	686,887	-	-	686,887	-	686,887	-
MCC Great Wall Investment Co., Ltd.	658,000	-	-	658,000	-	658,000	-

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(1) Investments in subsidiaries (Continued)

RMB'000

Investee	Gross carrying amount at 31 December 2024	Increase	Decrease	Gross carrying amount at 30 June 2025 (unaudited)	Impairment provision at 30 June 2025 (unaudited)	Carrying amount at 30 June 2025 (unaudited)	Cash dividend declared (unaudited)
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 China Co., Ltd.	420,991	-	-	420,991	-	420,991	-
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 China 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 China Co., Ltd.	51,000	-	-	51,000	-	51,000	-
MCC Integrated Pipe Network Technology & Development Co., Ltd.	50,000	-	-	50,000	-	50,000	-
MCC (Hainan) Investment Development Co., Ltd.	24,000	-	-	24,000	-	24,000	-
MCC Zhongyuan Construction Investment China 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	-
MCC Mining (Western Australia) Pty Ltd. Australia	126,807	-	-	126,807	126,807	-	-
MCC Australia Holding Pty Ltd.	48,227	-	-	48,227	48,227	-	-
Total	99,961,142	515,939	-	100,477,081	923,201	99,553,880	200,000

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(2) Investments in joint ventures and associates

RMB'000

Name of joint ventures and associates	Gross carrying amount at 31 December 2024	Changes for the period			Gross carrying amount at 30 June 2025 (unaudited)	Impairment provision at 30 June 2025 (unaudited)
		Investment profit or loss recognised under equity method	Other comprehensive income adjustments	Cash dividends or profit declared		
MCC-Huafa Integrated Pipe Network Co., Ltd.	106,361	1,315	–	–	107,676	–
Beijing Jingxi Travel Industry Investment Fund (limited partnership)	104,950	(5,042)	–	–	99,908	–
Beijing MCC Jianxin Investment Fund Management Co., Ltd.	86,312	1,180	–	–	87,492	–
Yingtian MCC Xinyin industry development partnership (limited partnership)	70,597	1,982	–	(2,003)	70,576	–
Shenzhen MCC Utility Tunnel Construction and Investment Co., Ltd.	13,954	(3,202)	–	–	10,752	–
MCC Xiangxi Mining Industry Co., Ltd.	113,146	–	–	–	113,146	113,146
Total	495,320	(3,767)	–	(2,003)	489,550	113,146

In the reporting period, there are no significant restrictions on withdrawing the above long-term equity investments.

5. Short-term borrowings

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Credit loans:		
RMB	18,722,079	11,618,993
Total	18,722,079	11,618,993

As at 30 June 2025, there were no short-term borrowings overdue but not yet paid.

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Other payables

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Amounts due to subsidiaries	45,322,180	44,133,979
External dividends payable	2,424,742	729,273
Others	1,239,906	1,209,098
Total	48,986,828	46,072,350

7. Non-current liabilities due within one year

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Long-term borrowings due within one year (Note XVII 8)	439,254	439,271
Long-term employee benefits payable due within one year	5,808	5,808
Bonds payable due within one year	19,533	48,833
Lease liabilities due within one year	10,891	245
Total	475,486	494,157

8. Long-term borrowings

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Credit loans	3,464,254	464,271
Total	3,464,254	464,271
Including: Long-term borrowings due within one year (Note XVII 7)	439,254	439,271
Long-term borrowings due after one year	3,025,000	25,000

For the six months ended 30 June 2025, the weighted average interest rate of long-term borrowings was 4.43% per annum (for the six months ended 30 June 2024: 1.35%). As at 30 June 2025, there were no significant long-term borrowings overdue but not yet paid.

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Operating income and operating costs

(1) Operating income and operating costs

RMB'000

Items	For the six months ended 30 June 2025 (unaudited)		For the six months ended 30 June 2024 (unaudited)	
	Revenue	Cost	Revenue	Cost
Principal operating activities	971,838	970,815	59,364	105,508
Other operating activities	–	–	40,961	243
Total	971,838	970,815	100,325	105,751

(2) Separating components of principal operating income

(a) Revenue classified by industries

RMB'000

Items	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Engineering contracting	971,838	59,364
Total	971,838	59,364

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Operating income and operating costs (Continued)

(2) Separating components of principal operating income (Continued)

(b) Revenue classified by geographic locations

RMB'000

Items	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Revenue from other countries	971,838	59,364
Total	971,838	59,364

(3) As at 30 June 2025, information of major customers whose revenue accounts for 10% or more of the total revenue(unaudited)

RMB'000

Items	Relationship with the Company	Operating income	As a percentage of total operating revenue of the Company (%)
Party 1	Third party	765,733	78.79
Party 2	Third party	98,488	10.13
Total	/	864,221	88.92

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 at 30 June 2025, some of the Company's project contracting service contracts are 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 project contracting service contract. It will be recognised as revenue within the future performance period of each project contracting service contract according to the performance progress.

Among the above operating income, revenue from contracts with customers was RMB971,838,000 (for the six months ended 30 June 2024: RMB100,325,000).

Financial Statements

For the six months ended 30 June 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

10. Investment income

RMB'000

Items	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Income from investments in subsidiaries	200,000	621,504
(Loss)/income from long-term equity investments under equity method	(3,767)	19
Others	(82)	(87,910)
Total	196,151	533,613

There is no significant restriction of investment income repatriation to the Company.

11. (Losses on)/Reversal of credit impairment

RMB'000

Items	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Credit impairment (losses)/reversal of accounts receivable	(3,943)	46,698
Credit impairment losses of other receivables	(3)	—
Total	(3,946)	46,698

Financial Statements

For the six months ended 30 June 2025

XVII.NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

12. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

RMB'000

Supplementary information	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Reconciliation of net profit to cash flows from operating activities:		
Net profit	262,026	623,990
Add: Credit impairment losses/(reversal)	3,946	(46,698)
Assets impairment losses	7,454	554
Depreciation of fixed assets and right-of-use assets	11,465	13,918
Amortisation of intangible assets	648	618
Gains on disposal of fixed assets, intangible assets and other long-term assets	—	(49)
Losses on retirement of fixed assets	58	276
Losses on changes in fair values	43,704	212,204
Financial expenses	(201,750)	(373,907)
Investment income	(196,151)	(533,613)
Decrease/(Increase) in inventories	39	(4,443)
Increase in contract assets	(255,228)	(35,148)
Decrease in contract liabilities	(124,820)	(16,597)
Decrease/(Increase) in operating receivables	91,030	(74,791)
Increase in operating payables	267,714	51,168
Net cash flow used in operating activities	(89,865)	(182,518)
Net changes in cash and cash equivalents:		
Closing balance of Cash and cash equivalents	3,973,147	887,906
Less: Opening balance of Cash and cash equivalents	8,354,373	968,955
Net decrease in cash and cash equivalents	(4,381,226)	(81,049)

Financial Statements

For the six months ended 30 June 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

12. Supplementary information to the cash flow statement (Continued)

(2) Composition of cash and cash equivalents

RMB'000

Items	30 June 2025 (unaudited)	31 December 2024
Cash	3,973,147	8,354,373
Including: Cash on hand	81	104
Bank deposits that are readily available for payment	3,973,066	8,354,269
Closing balance of cash and cash equivalents	3,973,147	8,354,373

XVIII. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

RMB'000

Items	January-June 2025 (Unaudited)
Profit or loss on disposal of non-current assets, including the write-off portion of the asset impairment provision already made	177,863
Government grants recognised in profit or loss (other than those closely related to business, in line with the national regulations, available under established standards and having a continuous impact on profit or loss)	173,805
Profit or loss on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on disposal of financial assets and financial liabilities, other than those used in the effective hedging activities relating to the Company's normal businesses	(44,681)
Income from non-financial institutions for occupation of funds and recognised in profit or loss	49,312
Reversal of provision for receivables that are tested for impairment losses individually	718,637
Profit or loss from debt restructuring	18,107
Other non-operating income and expenses other than the above	(28,373)
Profit or loss on disposal of long-term equity investments	2,210
Tax effects	(165,124)
Effect attributable to minority interests, net of tax	(128,964)
Total	772,792

Financial Statements

For the six months ended 30 June 2025

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share ("EPS")

For the six months ended 30 June 2025(unaudited) :

Profit for the reporting period	Weighted average return on net assets (%)	EPS (Unit: RMB)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	1.72	0.09	0.09
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	0.98	0.05	0.05

The above weighted average return on net assets and EPS are calculated according to the formulas provided in the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised 2010) issued by China Securities Regulatory Commission.

Chairman: Chen Jianguang
Approval date by the board of directors: August 29, 2025

Tel : + 86-10-5986 8666
Fax : + 86-10-5986 8999
Postal Code: 100028
E-mail : ir@mccchina.com
Website : www.mccchina.com
Address : MCC Tower, No. 28 Shuguang Xili,
Chaoyang District, Beijing, China

