METALLURGICAL CORPORATION OF CHINA LTD. *

中國冶金科工股份有限公司

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

(Stock Code: 1618)

2015 INTERIM RESULTS ANNOUNCEMENT

In the face of the complicated situations including the enormously downward pressure on the national economy, weak market demands and intense competition since the beginning of the year, MCC strived to seize opportunities to take initiatives and to make endeavor for improving the quality and efficiency of its production and operation steadily while accelerating its growth momentum. During the Reporting Period, the operating revenue of the Company amounted to RMB100.692 billion, representing a year-on-year increase of 4.71%; whilst its total profit amounted to RMB3.504 billion, representing a year-on-year increase of 10.28%. The Company recorded a net profit attributable to shareholders of the listed company of RMB2.172 billion, representing a year-on-year increase of 20.06%. In 2015, MCC Group, having MCC as its core asset, ranked 326 in the Global 500, rising 28 places when compared with 2014.

The Company has maintained proven performance and long-term stable development, which was attributable to our consistent emphasis on strategic guidance by firmly adhering to the principle of "focusing on the core business in building a better MCC" (聚焦中冶主業，建設美好中冶); our continuous strength in the overall trend and pattern of development which not only enables us to strictly control enterprise risks but also gains competitiveness and growth capacity amidst the industry reform; and the vigorous support from our investors and all sectors of society.

In the new normal era, there is great room for the development of domestic economy with great resilience, potential and flexibility. The overall arrangement for the iron and steel industry, upgrade of the industrial structure, closing down of backward production facilities, relocation of steel factories in urban areas for the purpose of environmental protection and redevelopment for energy conservation and environmental protection will be the future market and business growth points in the traditional metallurgical engineering sector. The gradual implementation of the strategy of "One Belt and One

Road" (一帶一路) and the combination of the international production capacity and equipment manufacturing have provided favorable opportunities for the Company to make great business expansion in the vast overseas market. Numerous investment opportunities have sprung up including regional structure optimization, growth power transformation, municipal transportation infrastructure, ecological environment construction, energy conservation and environment protection, new rural construction, and underground facility, which are the high-growth sectors where MCC is able to leverage its traditional advantages and to create new advantages with its core competence.

Facing new opportunities, MCC is dedicated to train the best "national team" worldwide to offer metallurgical construction and operational service for reform and innovation. With the responsibility of improving the competitiveness of China's steel and iron industry in the global market, and with the support of incomparable world-leading steel and iron engineering technology, MCC aims at being the "driver" that propels China from a great manufacturer to an advanced manufacturer in the global steel and iron market, being the "leader" in the combination of the international production capacity and equipment manufacturing in the iron and steel industry, and being the "pioneer" that expands China's steel and iron industry into the world, thus striving for the dominant position in the international steel and iron industry and enhancing the global influence and control of central enterprises. Meanwhile, the Company has been diversifying the business properly. By accurately identifying the matching point between the national strategy and our comparative advantages and development needs, the Company accelerates transformation and upgrading to create new competitive edges, so as to facilitate the transformation from a pure construction enterprise to a comprehensive service provider with its businesses covering investment, construction, operation, etc. Businesses such as high-end property construction, middle-end property, environmental and new energy projects focusing on atmosphere, water and soil, and urban comprehensive pipelines were vigorously developed to derive a more competitive updated version of "four beams and eight columns" (四樑八柱) business system.

Dear shareholders, MCC is revitalizing in all aspects with leapfrog development, we will apply "MCC people cast the world by heart"(中冶人用心鑄造世界) as motto and strongly advocate the MCC's pragmatic spirit of "without wasting one day, without being lazy for one day" (一天也不耽誤、一天也不懈怠) to unite all of our employees to start the new historical journey of making the Company become the best enterprise worldwide in the Chinese metallurgical history, with a view to rewarding our Shareholders and society with more splendid results.

Guo Wenqing
Chairman

HIGHLIGHTS

The Board of Metallurgical Corporation of China Ltd.* ("our Company", or "Company") is pleased to announce the unaudited operating results of the Company and its subsidiaries for the six months ended 30 June 2015, which are mainly set out as follows:

- Operating revenue amounted to RMB100,692 million, representing a year-on-year increase of RMB4,525 million or 4.71% from RMB96,167 million for the same period of 2014.

- Operating profit amounted to RMB3,127 million, representing a year-on-year increase of RMB406 million or 14.92% from RMB2,721 million for the same period of 2014.

- Net profit amounted to RMB2,461 million, representing a year-on-year increase of RMB499 million or 25.46% from RMB1,962 million for the same period of 2014.

- Net profit attributable to shareholders of the Company amounted to RMB2,172 million, representing a year-on-year increase of RMB363 million or 20.06% from RMB1,809 million for the same period of 2014.

- Basic earnings per share amounted to RMB0.11, while basic earnings per share amounted to RMB0.09 for the same period of 2014.

- As at 30 June 2015, the total assets amounted to RMB337,521 million, representing an increase of RMB11,543 million or 3.54% from RMB325,978 million as at 31 December 2014.

- As at 30 June 2015, the total equity attributable to shareholders amounted to RMB64,492 million, representing an increase of RMB6,467 million or 11.15% from RMB58,025 million as at 31 December 2014.

- Value of newly-signed contracts amounted to RMB177,250 million, representing a decrease of RMB1,030 million or 0.58% from RMB178,280 million for the same period of 2014.

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	Guo Wenqing
Registered address	28 Shuguang Xili Chaoyang District Beijing
First registration date of the Company	1 December 2008
Business address in the PRC	MCC Tower 28 Shuguang Xili, Chaoyang District Beijing, PRC
Place of business in Hong Kong	Room 3205, 32/F Office Tower, Convention Plaza 1 Harbour Road, Wanchai, Hong Kong
Website address of the Company	http://www.mccchina.com
E-mail	ir@mccchina.com
Secretary to the Board	Xiao Xuewen
Company secretary	Lin Xiaohui
Contact address	MCC Tower 28 Shuguang Xili, Chaoyang District Beijing, PRC

Tel	86-10-59868666
Fax	86-10-59868999
Places of listing	The Stock Exchange of Hong Kong Limited, Shanghai Stock Exchange
Abbreviation of stock name	MCC
Stock codes	1618 (Hong Kong), 601618 (Shanghai)
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
Auditor	Deloitte Touche Tohmatsu CPA LLP
Office address of the auditor	8th Floor, Tower W2, The Towers, Oriental Plaza 1 East Chang An Avenue Beijing, PRC
PRC legal advisor	Beijing Dacheng Law Office
Office address of the PRC legal advisor	7/F, Parkview Green FangCaoDi, No. 9, Dongdaqiao Road, Chaoyang District, Beijing, China
Hong Kong legal advisor	Latham & Watkins
Office address of the Hong Kong legal advisor	18th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong

II. FINANCIAL HIGHLIGHTS

(I) Overview

The Company's financial position as at 30 June 2015 and the operating results for the six months ended 30 June 2015 are as follows:

- Operating revenue amounted to RMB100,692 million, representing a year-on-year increase of RMB4,525 million or 4.71% from RMB96,167 million for the same period of 2014.

- Operating profit amounted to RMB3,127 million, representing a year-on-year increase of RMB406 million or 14.92% from RMB2,721 million for the same period of 2014.

- Net profit amounted to RMB2,461 million, representing a year-on-year increase of RMB499 million or 25.46% from RMB1,962 million for the same period of 2014.

- Net profit attributable to shareholders of the Company amounted to RMB2,172 million, representing a year-on-year increase of RMB363 million or 20.06% from RMB1,809 million for the same period of 2014.

- Basic earnings per share amounted to RMB0.11, while basic earnings per share amounted to RMB0.09 for the same period of 2014.

- As at 30 June 2015, the total assets amounted to RMB337,521 million, representing an increase of RMB11,543 million or 3.54% from RMB325,978 million as at 31 December 2014.

- As at 30 June 2015, the total equity attributable to shareholders amounted to RMB64,492 million, representing an increase of RMB6,467 million or 11.15% from RMB58,025 million as at 31 December 2014.

- Value of newly-signed contracts amounted to RMB177,250 million, representing a decrease of RMB1,030 million or 0.58% from RMB178,280 million for the same period of 2014.

(II) Operating Revenue from Principal Business Segments

During the Reporting Period, the Company:

- Engineering and construction business

  Operating revenue amounted to RMB85,377 million, representing an increase of RMB4,630 million or 5.73% from RMB80,747 million for the same period of 2014.

- Property development business

  Operating revenue amounted to RMB9,987 million, representing an increase of RMB703 million or 7.57% from RMB9,284 million for the same period of 2014.

- Equipment manufacturing business

  Operating revenue amounted to RMB3,824 million, representing a decrease of RMB392 million or 9.30% from RMB4,216 million for the same period of 2014.

- Resource development business

  Operating revenue amounted to RMB1,283 million, representing a decrease of RMB658 million or 33.90% from RMB1,941 million for the same period of 2014.

- Other businesses

  Operating revenue amounted to RMB1,365 million, representing a decrease of RMB105 million or 7.14% from RMB1,470 million for the same period of 2014.

  Note: The segment operating revenues above are the revenues before inter-segment elimination.

III. MANAGEMENT DISCUSSION AND ANALYSIS

(I) ANALYSIS ON MAJOR OPERATING BUSINESS

1. *Analysis on the changes in the relevant items in the financial statements*

Unit: '000 Currency: RMB

Item	Amount for the current period	Amount for the same period of the previous year	Change in proportion *(%)*
Operating revenue	100,691,551	96,166,552	4.71
Operating costs	87,593,659	84,296,869	3.91
Sales expenses	606,020	689,284	-12.08
Administrative expenses	4,067,552	3,871,026	5.08
Financial expenses	1,767,396	1,632,237	8.28
Total profits	3,504,140	3,177,613	10.28
Net profits	2,460,817	1,961,506	25.46
Net profits attributable to shareholders of the company	2,172,265	1,809,335	20.06
Research and development expenditures	838,291	663,664	26.31

2. *Revenue*

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

The financial position and operating results of the Company are affected comprehensively by global and national macro-economies, the development of the industries we are in, as well as the implementation and adjustment of the industries, fiscal and monetary policies of the State:

1) Trend of macroscopic economy, both internationally and domestically

Operations of each business of the Company are influenced by global and national macro-economic environment. Global and national macro-economic trends may affect various business processes including purchasing, production and sales, and hence lead to fluctuation of the Company's operating results. Business revenue of the Company is mainly generated at home, and therefore, the trend of national macro-economy and the adjustments on relevant policies have greater impact on the operating performance of the Company.

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

Different businesses of the Company including engineering and construction, property development, equipment manufacturing and resource development are all under the influence of relevant industry policies. The State's recent implementation of industrial control on the steel industry, adjustment and reform plan on the equipment manufacturing industry, and industry policies on resource development and property development, as well as industrial cyclical fluctuations and changes in states of operation of upstream and downstream companies will all considerably influence and guide the future business focus and strategic planning of the Company, hence also affecting the financial position and operating results of the Company.

Points 1 and 2 mentioned above are the major risk factors that influence the results of the Company in the first half of 2015.

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

① Impact of the changes in the taxation policy

The changes in the State's policy on taxation will affect the financial position of the Company by affecting the tax burdens of the Company and its subsidiaries.

Some of the subsidiaries of the Company are benefiting from the tax incentive policy for the development of China's west and new and high technology companies, as well as resource tax, property development tax and the "operation-to-value-added tax programme (營改增)" of the construction industry, which all can be affected by changes in the State's policy on taxation. Changes in relevant tax incentive policies may affect the financial performance of the Company.

② Impact of the fluctuation in exchange rates and the currency policy

Part of the business revenue of the Company is from overseas markets. Changes in exchange rates may expose the Company's overseas business revenue and currency settlement to exchange rate risk.

Meanwhile, any adjustment on bank reserve requirement ratio or changes in deposit and loan rates will affect the financing cost as well as interest income of the Company.

4) Overseas taxation policies and their changes

The Company operates in many countries and regions overseas and is subject to various taxes. There may be changes in the tax burden from overseas operations of the Company due to the facts that the tax environment is different in different regions and that the regulations are complex concerning various tax items including corporate income tax, foreign contractor tax, personal income tax and poll tax, etc., as well as the adjustment to such tax policies. In the meantime, the Company may need to make corresponding judgment for the uncertainties brought by tax treatment such as the transactions and other matters of certain operating activities.

5) Change in major raw materials prices

The Company's business in engineering and construction and property development, all involve using raw materials including steel, wood, cement, explosive initiator, waterproof material, geomaterial and addition agent; equipment manufacturing business involves the using of steel and electronic parts; and resource development business involves the use of fuel and machinery parts and so on. Affected by factors such as output, market situation and material cost, changes in the prices of the above stated raw materials may affect the costs of specific raw materials and consumables of the Company.

6) Construction Subcontracting Expenses

For engineering and construction projects, the Company may, according to different situations, subcontract non-crucial construction parts to subcontractors. On one hand, subcontracting can boost the capacity of the Company to undertake large-scale projects and to fulfill contracts with flexibility. On the other hand, management of subcontractors and control on subcontracting costs may also affect the profit on projects.

7) State of Operation of Key Projects

Since the Company's Ramu Nico Laterite Mine Project in Papua New Guinea was at the preliminary stage of operation, its actual output was below the designed capacity and the decrease of price of nickel was relatively great during the Reporting Period, substantial loss was made. Since the price of polysilicon decreased significantly during the Reporting Period, the polysilicon business of the Company still generated loss. The above issues posed great impact on the operating performance of the Company in the first half of 2015.

8) Enhancement in the Quality of Operation Management

The quality of operation management can significantly influence the result of the Company. The Company will continue to adhere to the principle of "focusing on the core business of MCC" through the implementation of "large environment, large platform, large market, large project and large client" to further expand the market, and through reform and innovation, scientific decision-making, strengthening internal control to enhance management quality and efficiency, mature assessment and incentive system, and further accelerate vitality and creativity of the Company. Whether these management goals could be effectively implemented will also considerably influence the improvement in operating results of the Company.

9) Uneven Distribution of Revenue

Operating revenue of the Company mainly comes from engineering and construction business. Since income of the business is affected by factors including government's project approval, public holidays and "freeze period" in the north, the operating revenue of the Company in the second half of the year is usually higher than the first half, leading to an uneven distribution of revenue.

(2) State of Major Customers of Sales

During the Reporting Period, the operating revenue obtained from the top five customers of the Company accounted for over 10% of the total operating revenue of the Company. (For details, please refer to note VII 51 of the statement)

3. *Costs*

(1) *Analysis on Costs*

Unit: ’000 Currency: RMB

Segmental Information

Segment	Amount for the Current Period	Proportion of the amount for the current period to the total costs (%)	Amount for the same period of the previous year	Proportion of the amount for the same period of the previous year to the total costs (%)	Percentage change in the amount for the current period as compared to that for the same period of the previous year (%)
Engineering and constructions	74,946,935	85.56	71,236,504	84.51	5.21
Property development	7,776,339	8.88	7,765,225	9.21	0.14
Equipment manufacturing	3,288,824	3.75	3,764,508	4.47	-12.64
Resource development	1,400,015	1.60	1,657,874	1.97	-15.55

Remarks: The segment costs above are figures before inter-segment eliminations.

(2) *State of Major Suppliers*

During the Reporting Period, the purchase amount from the top five suppliers of the Company accounted for no more than 10% of the total operating costs of the Company.

4. *Expenses*

Sales expenses

The sales expenses of the Company mainly consist of employee remuneration, transportation fee and advertising expense, etc. In the first half of 2015 and the first half of 2014, the sales expenses of the Company amounted to RMB606,020,000 and RMB689,284,000, respectively, with a year-on-year decrease of 12.08%. The proportion of sales expenses to the operating revenue in the same period for 2015 and 2014 were 0.60% and 0.72% respectively, with a 0.12 percentage-point decrease. The year-on-year decrease in sales expenses was mainly due to the year-on-year decrease in transportation fee of RMB63,552,000 or 47.72%.

Administrative expenses

The administrative expenses of the Company primarily comprise employee remuneration, research and development expenditure and office expense, etc. In the first half of 2015 and the first half of 2014, the administrative expenses of the Company amounted to RMB4,067,552,000 and RMB3,871,026,000 respectively, with a year-on-year increase of 5.08%. The proportion of administrative expenses to the operating revenue in the same period for 2015 and 2014 were 4.04% and 4.03% respectively, with a 0.01 percentage-point increase. The year-on-year increase in administrative expenses was mainly due to the year-on-year increase in research and development expenditure of RMB174,627,000 or 26.31%.

Financial expenses

The financial expenses of the Company mainly comprise borrowing cost, exchange gain or loss, bank charges and other costs incurred in the normal course of business. In the first half of 2015 and the first half of 2014, the financial expenses of the Company were RMB1,767,396,000 and RMB1,632,237,000 respectively, with a year-on-year increase of 8.28%. The proportion of financial expenses to the operating revenue in the same period for 2015 and 2014 were 1.76% and 1.70% respectively, with a 0.06 percentage-point increase. The year-on-year increase in financial expenses was mainly due to the increase in exchange loss of RMB350,325,000.

(II) ANALYSIS ON OPERATIONS BY SEGMENT, PRODUCT OR REGION

1. Major Business by segment and by product

Unit: '000 Currency: RMB

Major business by segment

Segment	Operating revenue	Operating costs	Gross profit margin (%)	Increase or decrease in the operating revenue as compared to that of last year (%)	Increase or decrease in the operating costs as compared to that of last year (%)	Increase or decrease in the gross profit margin as compared to that of last year
Engineering and construction	85,377,452	74,946,935	12.22	5.73	5.21	Increased by 0.44 percentage point
Property development	9,986,562	7,776,339	22.13	7.57	0.14	Increased by 5.77 percentage points
Equipment manufacturing	3,823,682	3,288,824	13.99	-9.30	-12.64	Increased by 3.29 percentage points
Resource development	1,282,808	1,400,015	-9.14	-33.90	-15.55	Decreased by 23.71 percentage points

Note: The segment revenues and costs above are figures before inter-segment eliminations.

Explanation on the status of major business by segment and by product:

(1) Engineering and construction business

Engineering and construction business is the traditional core business of the Company, and serves as the main source of revenue and profit of the Company. In respect of the profitability, the engineering and construction business recorded a gross profit of RMB10,430,517,000 in the first half of 2015, representing a year-on-year increase of 9.67%. For the first half of 2015 and first half of 2014, the gross profit margin of engineering and construction business of the Company were 12.22% and 11.78% respectively, representing a year-on-year increase of 0.44 percentage point. The increase in gross profit margin of the engineering and construction business was mainly due to the increase in gross profit margin of the construction projects of properties and transportation infrastructures.

In respect of operating structure, under the impact of adjustment in the domestic iron and steel industry, the revenue from metallurgical engineering and construction business accounted for a less proportion to the revenue of engineering segment.

(2) *Property development business*

In the first half of 2015, the property development business of the Company recorded a gross profit of RMB2,210,223,000, representing a year-on-year increase of 45.54%. For the first half of 2015 and first half of 2014, the gross profit margin of the property development business of the Company were 22.13% and 16.36%, respectively, representing a year-on-year increase of 5.77 percentage points. The year-on-year increase in the gross profit margin of the property development business was mainly driven by the higher gross profit margin of some large-scale property projects which accounted for a more significant proportion in the operating revenue.

(3) *Equipment manufacturing business*

The equipment manufacturing business of the Company mainly includes metallurgical equipment, steel structures and other metal products. In the first half of 2015, the equipment manufacturing business of the Company recorded a gross profit of RMB534,858,000, representing a year-on-year increase of 18.57%. For the first half of 2015 and first half of 2014, the gross profit margin of the equipment manufacturing business of the Company were 13.99% and 10.70% respectively, representing a year-on-year increase of 3.29 percentage points. The year-on-year increase in the gross profit margin of the equipment manufacturing business was mainly due to the increase in the gross profit margin of the production of metallurgic equipment and steel structures during the period.

(4) *Resource development business*

The resource development business of the Company includes the mining and processing business. The subsidiaries engaged in mining mainly include MCC Tongsin Resources Ltd. and MCC-JJJ Mining Development Company Limited, while the subsidiaries engaged in processing business mainly include Luoyang China Silicon Hi-tech Corporation which is a poly sidicon manufacturer. During the Reporting Period, the operating revenue from mining business was mainly from resource development projects such as the Ramu Nico Mine Project in Papua New Guinea, the Saindak Copper-Gold Mine in Pakistan and the Sierra Grande Iron Ore Project in Argentina. The Company's resource development business recorded a gross profit of RMB-117,207,000, representing a year-on-year decrease of 141.46%. For the first half of 2015 and first half of 2014, the gross profit margins of the resource development business were -9.14% and 14.57% respectively, representing a year-on-year decrease of 23.71 percentage points. The year-on-year decrease in the gross profit margin of the resource development business was mainly due to the relatively substantial year-on-year decrease in the gross profit margin of Ramu Nico Project affected by the price of nickel, which contributed a more significant proportion to the operating revenue.

2. ***Major business by region***

Unit: '000 Currency: RMB

Region	Operating revenue	Increase or decrease in the operating revenue as compared to that of period last year *(%)*
PRC	95,860,142	8.70
Other countries (regions)	4,831,409	-39.43
Total	100,691,551	4.71

In the first half of 2015 and first half of 2014, the Company's overseas operating revenue were RMB4,831,409,000 and RMB7,976,954,000 respectively, mainly from the engineering and construction business such as the university town project in Kuwait and the steel factory project in Ha Tinh, Vietnam, the property development business in Singapore and the resource development business including the Ramu Nico Project in Papua New Guinea and the Saindak Copper-Gold Mine in Pakistan.

(III) Analysis on Cash flow

The cash flow of the Company is as follows:

Unit: '000 Currency: RMB

Item	**In the first half of 2015**	In the first half of 2014
Net cash flows from operating activities	**-4,053,589**	-5,732,536
Net cash flows from investment activities	**-2,151,899**	-940,699
Net cash flows from financing activities	**2,101,512**	-1,113,595

(1) Operating activities

In the first half of 2015 and the first half of 2014, the net cash flows from operating activities of the Company were RMB-4,053,589,000 and RMB-5,732,536,000, respectively. During the period and the corresponding period of last year, the cash inflow from operating activities of the Company mainly comprised cash received from sales of products and provision of services, which represented 98.71% and 96.57% of the cash inflow from operating activities respectively.

The cash outflow from operating activities of the Company primarily comprised cash paid for procurement of goods and receipt of service, cash paid to and on behalf of employees as well as tax payments, which represented 81.65%, 7.07% and 6.21% of the cash outflow from operating activities in the first half of 2015 respectively and represented 78.19%, 7.33% and 5.65% of the cash outflow from operating activities in the first half of 2014 respectively.

(2) Investment activities

The cash inflow from investment activities of the Company primarily consisted of recovered investment, income from investment and cash gained from disposal of non-current assets which represented 6.28%, 57.89% and 17.50% of cash inflow from investment activities in the first half of 2015 respectively and represented 4.49%, 2.71% and 65.49% of cash inflow from investment activities in the first half of 2014 respectively. The cash outflow mainly comprised cash payments for acquisition and construction of non-current assets, which represented 56.09% and 82.62% of the cash outflow from investment activities in the first half of 2015 and the first half of 2014, respectively.

In the first half of 2015 and the first half of 2014, the net cash flows from investment activities of the Company were RMB-2,151,899,000 and RMB-940,699,000 respectively. The investment activities of the Company mainly comprised engineering and construction business and property business.

(3) Financing activities

The cash inflow from financing activities of the Company primarily consisted of cash received from borrowings, which represented 86.48% and 99.74% of the cash inflow from financing activities in the first half of 2015 and the first half of 2014 respectively. The cash outflow from financing activities of the Company primarily comprised cash repayments for liabilities, distribution of dividends and profit, or cash payment for interest, which represented 93.33% and 6.56% of the cash outflow from financing activities in the first half of 2015 and represented 91.71% and 6.27% of the cash outflow from financing activities in the first half of 2014.

In the first half of 2015 and the first half of 2014, the net cash flows from financing activities of the Company were RMB2,101,512,000 and RMB-1,113,595,000 respectively.

(IV) Analysis on Assets and Liabilities

1. *Table of Analysis on Assets and Liabilities*

Unit: ’000 Currency: RMB

Item name	Amount at the end of the current period	Proportion of the amount at the end of the current period to the total assets/total liabilities *(%)*	Amount at the end of the prior period	Proportion of the amount at the end of the prior period to the total assets/total liabilities *(%)*	Percentage change in the amount at the end of the current period as compared to that at the end of the prior period *(%)*
Total current assets:	260,524,606	77.19	247,086,564	75.80	5.44
Cash and bank balances	28,186,591	8.35	33,409,480	10.25	-15.63
Accounts receivable	59,019,351	17.49	55,799,282	17.12	5.77
Prepayments	14,022,035	4.15	16,510,723	5.06	-15.07
Other receivables	21,532,541	6.38	19,768,319	6.06	8.92
Inventories	123,462,079	36.58	106,415,992	32.65	16.02
Total non-current assets:	76,996,458	22.81	78,891,915	24.20	-2.40
Long-term receivables	16,724,563	4.96	17,383,285	5.33	-3.79
Fixed assets	30,571,385	9.06	32,874,747	10.08	-7.01
Intangible assets	14,916,703	4.42	14,967,560	4.59	-0.34
TOTAL ASSETS	337,521,064	100.00	325,978,479	100.00	3.54

Item name	Amount at the end of the current period	Proportion of the amount at the end of the current period to the total assets/total liabilities (%)	Amount at the end of the prior period	Proportion of the amount at the end of the prior period to the total assets/total liabilities (%)	Percentage change in the amount at the end of the current period as compared to that at the end of the prior period (%)
Total current liabilities:	224,457,156	82.21	217,564,185	81.19	3.17
Short-term borrowings	36,963,528	13.54	36,461,263	13.61	1.38
Accounts payable	82,585,895	30.25	77,722,163	29.01	6.26
Payments received in advance	33,329,960	12.21	33,978,850	12.68	-1.91
Other payables	15,903,401	5.82	15,888,498	5.93	0.09
Total non-current liabilities:	48,571,418	17.79	50,389,786	18.81	-3.61
Long-term borrowings	18,277,956	6.69	21,329,884	7.96	-14.31
Bonds payable	23,367,422	8.56	21,945,923	8.19	6.48
TOTAL LIABILITIES	273,028,574	100.00	267,953,971	100.00	1.89

(1) Analysis on structures of assets and liabilities

① Analysis on structure of assets

As of 30 June 2015 and 31 December 2014, the total assets of the Company were RMB337,521,064,000 and RMB325,978,479,000, respectively.

Being an integrated enterprise group with engineering and construction and property development as its major business, current assets are the main components of the Company's assets. As of 30 June 2015 and 31 December 2014, current assets of the Company accounted for 77.19% and 75.80% of the total assets, respectively.

Cash and bank balances

The cash and bank balances of the Company mainly comprised cash on hand, bank deposit and other cash and bank balances. Given the characteristics of the business which the company operates, the Company usually keeps proper cash and bank balances to meet the production and operation needs.

As at 30 June 2015 and 31 December 2014, the balances of cash and bank balances of the Company were RMB28,186,591,000 and RMB33,409,480,000 respectively, which accounted for 10.82% and 13.52% of the current assets, respectively.

As at 30 June 2015 and 31 December 2014, the restricted cash and bank balances of the Company were RMB3,735,769,000 and RMB4,838,303,000 respectively, which accounted for 13.25% and 14.48% of the cash and bank balances, respectively. The restricted cash and bank balances mainly included the cash deposits of acceptance bill, guarantee deposits and frozen deposits, etc, representing a decrease of as 22.79% compared to the end of last year, mainly due to the decrease in the cash deposits of acceptance bill.

Accounts receivable

The accounts receivable of the Company mainly included engineering receivables, product sales receivables as well as designing, consultancy and technical services receivables, etc.

As at 30 June 2015 and 31 December 2014, the net accounts receivable of the Company were RMB59,019,351,000 and RMB55,799,282,000, which accounted for 22.65% and 22.58% of the current assets, respectively, representing an increase in 5.77% in the net accounts receivable. The increase in accounts receivable was mainly attributable to the growth in operation scale. The Company will continue to gradually reduce the ratio of accounts receivables through selection of quality clients, adjustment of business mode as well as further reinforcement and implementation of the recovery responsibility of accounts receivable.

As of 30 June 2015, calculated based on the original carrying amount, the ageings of 82.27% of the Company's accounts receivable were within two years (inclusive), the ageings of 60.91% of the accounts receivable were within one year (inclusive). The aged structure of the accounts receivable was related to the business characteristics, operation mode and settlement cycle of the Company, etc.

In order to avoid the possible risks of bad debts, the Company enhanced the overall management of accounts receivable, took into full accounts of the nature and recoverability of accounts receivable as well as made relevant bad debt provisions to fairly reflect the quality of the Company's assets. As of 30 June 2015 and 31 December 2014, the balances of the bad debt provisions for accounts receivable of the Company were RMB8,466,432,000 and RMB7,669,247,000 respectively, which accounted for 12.55% and 12.08% of the original amount of the accounts receivable, respectively.

Prepayments

The prepayments of the Company mainly included the amounts prepaid to raw material suppliers, the project funds prepaid to sub-contractors, the equipment funds prepaid to equipment suppliers as well as the prepaid land transfer funds for the property development business and the funds prepaid to the sub-contractors for the construction and installation projects, etc.

As at 30 June 2015 and 31 December 2014, the balances of the prepayments of the Company were RMB14,022,035,000 and RMB16,510,723,000, which accounted for 5.38% and 6.68% of the current assets, respectively, representing a decrease of approximately 15.07% in the balance of the prepayments. Such decrease was mainly attributable to the decrease in the land transfer funds prepaid by the Company for the property development.

As of 30 June 2015, calculated based on the original carrying amount, the ageings of approximately 82.60% of the Company's prepayments were within two years (inclusive), the ageings of 71.41% of the prepayments were within one year (inclusive).

Other receivables

The other receivables of the Company mainly included the performance deposit, bidding deposit, project cooperation deposits and petty cash, etc.

As at 30 June 2015 and 31 December 2014, the net other receivables of the Company were RMB21,532,541,000 and RMB19,768,319,000 respectively, which accounted for 8.27% and 8.00% of the current assets, respectively, representing an increase of 8.92% in the net other receivables. The increase was mainly attributable to the increases in performance deposits and other funds.

As of 30 June 2015, calculated based on the original carrying amount, the ageings of approximately 80.36% of the Company's other receivables were within two years (inclusive), the ageings of approximately 63.12% of the other receivables were within one year (inclusive). The Company also made relevant bad debt provisions for the other receivables with bad debt risks. As of 30 June 2015 and 31 December 2014, the balance of bad debt provisions of other receivables were RMB2,141,383,000 and RMB1,922,327,000 respectively, which accounted for 9.05% and 8.86% respectively of the original amount of the other receivables.

Inventories

The inventories of the Company mainly comprised the engineering construction completed but yet to settle, the costs of property development, products of property development, raw materials, goods in process and merchandise inventory. The inventory structure of the Company presented the characteristics of engineering and construction, property development, equipment manufacturing and resource development and other business, which the Company operates.

As at 30 June 2015 and 31 December 2014, the net amount of inventories were RMB123,462,079,000 and RMB106,415,992,000, which accounted for 47.39% and 43.07% of the current assets, respectively. The increase of 16.02% in the net amount of inventories was mainly due to the increase of RMB9,573,029,000 in the engineering construction completed but yet to settle and the increase of RMB6,964,755,000 in the costs of property development.

As of 30 June 2015, the original amount of inventories of the engineering construction completed but yet to settle of the Company accounted for 41.36% of the total original amount of the inventories and the original amount of inventories of the costs and products of property development accounted for 51.94% of the total original amount of the inventories. The Company also withdrew relevant falling price provisions for the inventories. As of 30 June 2015 and 31 December 2014, the falling price provisions for the inventories of the Company amounted to RMB1,359,655,000 and RMB1,387,315,000 respectively, which accounted for 1.09% and 1.29% respectively of the original amount of the inventories at the end of the period.

Long-term receivables

The long-term receivables of the Company mainly included construction receivables with a collection period of more than one year as agreed in the contracts.

As at 30 June 2015 and 31 December 2014, the net long-term receivables of the Company were RMB16,724,563,000 and RMB17,383,285,000 respectively, which accounted for 21.72% and 22.03% of the non-current assets respectively. The net long-term receivables decreased by 3.79%, mainly due to the decrease in the receivables from BT construction of urban infrastructure facilities contracted by the Company.

Fixed assets

As at 30 June 2015 and 31 December 2014, the net fixed assets of the Company were RMB30,571,385,000 and RMB32,874,747,000, which accounted for 39.70% and 41.67% of the non-current assets. The fixed assets of the Company mainly included the buildings, machinery equipment and transportation equipment, etc.

Intangible assets

As at 30 June 2015 and 31 December 2014, the aggregated carrying value of the intangible assets of the Company were RMB14,916,703,000 and RMB14,967,560,000 respectively, which accounted for 19.37% and 18.97% of the non-current assets. The intangible assets of the Company mainly comprised land use rights, concession user's rights and mining rights.

② The analysis on the structure of liability

On 30 June 2015 and 31 December 2014, the current liabilities were RMB224,457,156,000 and RMB217,564,185,000 respectively, which accounted for 82.21% and 81.19% of the total liabilities; the non-current liabilities were RMB48,571,418,000 and RMB50,389,786,000, which accounted for 17.79% and 18.81% of the total liabilities, respectively.

Short-term borrowings

The short-term borrowings of the Company mainly consisted of credit borrowings, guaranteed borrowings from financial institutes such as commercial banks. As at 30 June 2015 and 31 December 2014, the balances of the short-term borrowings of the Company were RMB36,963,528,000 and RMB36,461,263,000 respectively, with an increase of 1.38% as compared with the beginning of the year. The increase in short-term borrowings was mainly due to the adjustment to the borrowing structure for the operation and development needs of the Company.

Accounts payable and other payables

The accounts payable were mainly the payables to suppliers of raw materials, sub-contractors and equipment suppliers. Other payables mainly included cash guarantee, deposits and leasing fees, etc. from business partners.

As at 30 June 2015 and 31 December 2014, the balances of accounts payable and other payables of the Company were RMB82,585,895,000, RMB15,903,401,000 and RMB77,722,163,000, RMB15,888,498,000 respectively, which accounted for 30.25%, 5.82% and 29.01%, 5.93% respectively of the total liabilities.

The increase of accounts payable was mainly due to the increase in the payables to sub-contractors for construction.

Payments received in advance

Payments received in advance were mainly prepaid construction amount and preparation amount for projects from Party A of the construction contracts, billed work in process and amount received in advance for the sales of properties, etc.

As at 30 June 2015 and 31 December 2014, the balances of payments received in advance of the Company were RMB33,329,960,000 and RMB33,978,850,000 respectively, which accounted for 12.21% and 12.68% of the total liabilities respectively. The payments received in advance as at 30 June 2015 decreased by 1.91% as compared with that of 31 December 2014, which was mainly due to the decrease in construction amount and preparation amount for projects from construction contracts of the Company.

Long-term borrowings and bonds payable

The Long-term borrowings of the Company mainly consisted of credit borrowings, secured borrowings, pledged borrowings and guaranteed borrowings. As at 30 June 2015 and 31 December 2014, the balances of long-term borrowings of the Company were RMB18,277,956,000 and RMB21,329,884,000 respectively, which accounted for 6.69% and 7.96% of the total liabilities respectively.

As at 30 June 2015 and 31 December 2014, the balances bonds payables of the Company were RMB23,367,422,000 and RMB21,945,923,000 respectively, which accounted for 8.56% and 8.19% of the total liabilities respectively.

(2) *Analysis on the solvency*

According to the reviewed financial statements of the Company, the indices of major short-term solvency are as follows:

Unit: RMB'000

Item	**30 June 2015**	31 December 2014
Current ratio *(time)*	**1.16**	1.14
Quick ratio *(time)*	**0.61**	0.65
Assets-liabilities ratio *(consolidated)*	**80.89%**	82.20%

Item	**January to June of 2015**	January to June of 2014
Earnings before interest and tax	**5,522,097**	5,283,368
Interest coverage	**2.74**	2.51

① Index of assets liquidity increased year-on-year

As at 30 June 2015 and 31 December 2014, the current ratios of the Company were 1.16 and 1.14 respectively. The quick ratios were 0.61 and 0.65 respectively, assets liquidity was basically flat with last year.

② Consolidated assets-liabilities ratio decreased year-on-year

As at 30 June 2015 and 31 December 2014, the asset-liabilities ratios of the Company's consolidated statement were 80.89% and 82.20% respectively, representing a year-on-year decrease of 1.31 percentage points, with comprehensive solvency increased.

③ Interest coverage increased year-on-year

From January to June of 2015 and from January to June of 2014, the interest coverage of the Company were 2.74 and 2.51 respectively, representing a year-on-year increase of 0.23 time, which means the solvency of interest-bearing liabilities of the Company was improved.

④ Smooth financing channels

The Company maintains long-term stable business relationships with financial institutions including certain large-scale commercial banks and policy banks at home and abroad. The Company has good credit records and high credit facility lines, indicating that the financing channels of the Company are smooth. At the same time, the Company has sound credit standing and good financing ability by the issuance of short-term financing bonds and middle-term notes more than once in the capital market.

The Company will also adopt the following measures to improve the short-term solvency and the safety of financial structure continuously: arrange the asset structure reasonably to improve the management and efficiency of fund operation; accelerate the fund recovery, so as to continuously improve the cash flows of operating activities; unceasingly enhance the standards of operation and management, and thoroughly implement the measures on cost reduction and efficiency improvement, with an aim to improving the capacity of accumulation in operation, strengthen financial capacity and ensure solvency.

(3) Analysis on the assets turnover

During the Reporting Period, the major Indies of assets turnover are set out in the table below:

Unit: time/year

Item	**For the first half of 2015**	For the first half of 2014
Total assets turnover	**0.30**	0.29
Accounts receivable turnover	**1.54**	1.58
Inventory turnover	**0.75**	0.76

① Total asset turnover

In the first half of 2015 and first half of 2014, the Company's total assets turnover were 0.30 time and 0.29 time respectively, representing a slight increase during the Reporting Period, which was mainly attributable to a higher growth of operating revenue as compared with the growth of total assets during the Reporting Period.

② Accounts receivable turnover

In the first half of 2015 and first half of 2014, the accounts receivable turnover of the Company were 1.54 times and 1.58 times respectively, representing a decrease of 0.04 time during the Reporting Period, mainly attributable to the increase of accounts receivable of the Company which was affected by settlement cycle of engineering and construction business and changes in business mode.

③ Inventory turnover

In the first half of 2015 and first half of 2014, the inventory turnover of the Company were 0.75 time and 0.76 time respectively, representing a decrease of 0.01 time during the Reporting Period, mainly due to increase of inventory of property and engineering construction of the Company.

IV. CONSOLIDATED AND THE COMPANY'S BALANCE SHEETS

CONSOLIDATED BALANCE SHEET

30 JUNE 2015

All amounts in RMB'000

Items	Closing balance	Opening balance
Current Assets:		
Cash and bank balances	**28,186,591**	33,409,480
Financial assets at fair value through profit or loss	**413,188**	555
Derivative financial assets	**27,592**	18,532
Bills receivable	**7,859,456**	9,977,574
Accounts receivable	**59,019,351**	55,799,282
Prepayments	**14,022,035**	16,510,723
Interest receivable	**9,658**	11,505
Dividends receivable	**137,234**	119,234
Other receivables	**21,532,541**	19,768,319
Inventories	**123,462,079**	106,415,992
Non-current assets due within one year	**5,620,827**	4,867,780
Other current assets	**234,054**	187,588
Total Current Assets	**260,524,606**	247,086,564
Non-current Assets:		
Available-for-sale financial assets	**1,810,304**	1,643,092
Held-to-maturity investments	**20**	20
Long-term receivables	**16,724,563**	17,383,285
Long-term equity investments	**3,922,896**	3,939,211
Investment properties	**1,920,692**	1,864,386
Fixed assets	**30,571,385**	32,874,747
Construction in progress	**3,058,088**	2,280,214
Materials for construction of fixed assets	**69,510**	47,617
Intangible assets	**14,916,703**	14,967,560
Goodwill	**265,210**	270,448
Long-term prepayments	**175,593**	167,767
Deferred tax assets	**3,424,298**	3,316,126
Other non-current assets	**137,196**	137,442
Total Non-current Assets	**76,996,458**	78,891,915
TOTAL ASSETS	**337,521,064**	325,978,479

CONSOLIDATED BALANCE SHEET

30 JUNE 2015

All amounts in RMB'000

Items	Closing balance	Opening balance
Current Liabilities:		
Short-term borrowings	**36,963,528**	36,461,263
Bills payable	**13,738,514**	11,808,491
Accounts payable	**82,585,895**	77,722,163
Receipts in advance	**33,329,960**	33,978,850
Employee benefits payable	**2,108,151**	1,987,771
Taxes payable	**5,008,627**	6,399,466
Interest payable	**1,536,257**	970,589
Dividends payable	**1,442,356**	504,931
Other payables	**15,903,401**	15,888,498
Non-current liabilities due within one year	**14,898,178**	11,875,968
Other current liabilities	**16,942,289**	19,966,195
Total Current Liabilities	**224,457,156**	217,564,185
Non-current Liabilities:		
Long-term borrowings	**18,277,956**	21,329,884
Bonds payable	**23,367,422**	21,945,923
Including: Preference share	**–**	–
Perpetual bond	**–**	–
Long-term payables	**816,343**	864,818
Long-term employee benefits payable	**3,963,947**	3,944,693
Special payables	**15,468**	22,501
Provisions	**137,822**	208,154
Deferred income	**1,502,910**	1,552,840
Deferred tax liabilities	**450,450**	481,873
Other non-current liabilities	**39,100**	39,100
Total Non-current Liabilities	**48,571,418**	50,389,786
TOTAL LIABILITIES	**273,028,574**	267,953,971

CONSOLIDATED BALANCE SHEET

30 JUNE 2015

All amounts in RMB'000

Items	Closing balance	Opening balance
Shareholders' Equity:		
Share capital	**19,110,000**	19,110,000
Other equity instruments	**4,925,000**	–
Including: Preference share	**–**	–
Perpetual bond	**4,925,000**	–
Capital reserve	**17,828,652**	17,826,218
Less: Treasury shares	**–**	–
Other comprehensive income	**658,366**	583,421
Special reserve	**12,550**	12,550
Surplus reserve	**529,549**	529,549
Retained profits	**10,492,284**	9,275,519
Total shareholders' equity attributable to equity holders of the Company	**53,556,401**	47,337,257
Non-controlling interests	**10,936,089**	10,687,251
TOTAL SHAREHOLDERS' EQUITY	**64,492,490**	58,024,508
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**337,521,064**	325,978,479

THE COMPANY'S BALANCE SHEET

30 JUNE 2015

All amounts in RMB'000

Items	Closing balance	Opening balance
Current Assets:		
Cash and bank balances	**2,984,996**	7,025,950
Accounts receivable	**325,141**	389,062
Prepayments	**75,024**	105,106
Interest receivable	**1,345,664**	955,561
Dividends receivable	**1,264,817**	1,264,817
Other receivables	**29,405,643**	26,396,763
Inventories	**1,391,643**	889,870
Non-current assets due within one year	**6,022,038**	6,780,040
Other current assets	**–**	283
Total Current Assets	**42,814,966**	43,807,452
Non-current Assets:		
Available-for-sale financial assets	**231**	231
Long-term receivables	**4,622,374**	4,573,576
Long-term equity investments	**73,648,654**	72,549,338
Investment properties	**–**	118,773
Fixed assets	**17,113**	55,263
Intangible assets	**12,281**	13,601
Total Non-current Assets	**78,300,653**	77,310,782
TOTAL ASSETS	**121,115,619**	121,118,234

THE COMPANY'S BALANCE SHEET

30 JUNE 2015

All amounts in RMB'000

Items	Closing balance	Opening balance
Current Liabilities:		
Short-term borrowings	**7,284,626**	8,378,860
Accounts payable	**1,471,256**	1,074,091
Receipts in advance	**412,880**	303,192
Employee benefits payable	**7,734**	8,251
Taxes payable	**35,988**	48,154
Interest payable	**1,291,946**	742,538
Dividend payable	**955,500**	–
Other payables	**9,212,222**	10,697,648
Non-current liabilities due within one year	**9,174,138**	7,124,503
Other current liabilities	**16,900,000**	19,900,000
Total Current Liabilities	**46,746,290**	48,277,237
Non-current Liabilities:		
Long-term borrowings	**3,179,902**	5,403,934
Bonds payable	**12,960,789**	12,904,839
Including: Preference share	**–**	–
Perpetual bond	**–**	–
Long-term payables	**300,000**	378,980
Long-term employee benefits payable	**22,470**	19,772
Deferred income	**1,110**	957
Total Non-current Liabilities	**16,464,271**	18,708,482
TOTAL LIABILITIES	**63,210,561**	66,985,719

THE COMPANY'S BALANCE SHEET

30 JUNE 2015

All amounts in RMB'000

Items	Closing balance	Opening balance
Shareholders' Equity:		
Share capital	**19,110,000**	19,110,000
Other equity instruments	**4,925,000**	–
Including: Preference share	**–**	–
Perpetual bond	**4,925,000**	–
Capital reserve	**33,481,220**	33,481,220
Less: Treasury shares	**–**	–
Other comprehensive income	**711**	3,267
Special reserve	**12,550**	12,550
Surplus reserve	**529,549**	529,549
Retained profits	**(153,972)**	995,929
TOTAL SHAREHOLDERS' EQUITY	**57,905,058**	54,132,515
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**121,115,619**	121,118,234

V. CONSOLIDATED AND THE COMPANY'S INCOME STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

Items		Amount for the current period	Amount for the prior period
I	**Total operating revenue**	**100,691,551**	96,166,552
	Including: Operating revenue	**100,691,551**	96,166,552
II	**Total operating costs**	**97,709,872**	93,981,253
	Including: Operating costs	**87,593,659**	84,296,869
	Business taxes and levies	**2,616,952**	2,397,811
	Selling expenses	**606,020**	689,284
	Administrative expenses	**4,067,552**	3,871,026
	Financial expenses	**1,767,396**	1,632,237
	Impairment losses of assets	**1,058,293**	1,094,026
	Add: Gains from changes in fair values(losses)	**21,693**	(5,244)
	Investment income(losses)	**123,863**	541,072
	Including: Income from investments in associates and joint ventures	**58,907**	(124,242)
III	**Operating profit**	**3,127,235**	2,721,127
	Add: Non-operating income	**422,230**	561,177
	Including: Gains from disposal of non-current assets	**22,916**	26,459
	Less: Non-operating expenses	**45,325**	104,691
	Including: Losses from disposal of non-current assets	**13,247**	20,513
IV	**Total profit**	**3,504,140**	3,177,613
	Less: Income tax expenses	**1,043,323**	1,216,107

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

Items	**Amount for the current period**	Amount for the prior period
V Net profit	**2,460,817**	1,961,506
Net profit attributable to shareholders of the Company	**2,172,265**	1,809,335
Profit or loss attributable to non-controlling interests	**288,552**	152,171
VI Other comprehensive income, net of income tax	**63,897**	(257,367)
Other comprehensive income attributable to shareholders of the Company, net of income tax	**74,945**	(254,236)
(I) Items that will not be reclassified subsequently to profit or loss	**(125,351)**	(107,728)
1. Re-measurement of defined benefit obligations	**(125,351)**	(107,728)
(II) Items that may be reclassified subsequently to profit or loss	**200,296**	(146,508)
1. Net (loss) gain on revaluation of available-for-sale financial assets	**93,086**	6,553
2. Exchange differences on translating foreign operations	**107,210**	(153,061)
Other comprehensive income attributable to non-controlling interests, net of income tax	**(11,048)**	(3,131)
VII Total comprehensive income	**2,524,714**	1,704,139
Total comprehensive income attributable to shareholders of the Company	**2,247,210**	1,555,099
Total comprehensive income attributable to non-controlling interests	**277,504**	149,040
VIII Earnings per share		
(I) Basic earnings per share *(Yuan/share)*	**0.11**	0.09
(II) Diluted earnings per share *(Yuan/share)*	**N/A**	N/A

THE COMPANY'S INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

Items		**Amount for the current period**	Amount for the prior period
I	**Operating revenue**	**1,093,177**	707,956
	Less: Operating costs	**961,641**	706,465
	Business taxes and levies	**–**	5,650
	Administrative expenses	**61,463**	74,672
	Financial expenses	**316,202**	605,834
	Impairment losses of assets	**(9,710)**	28,901
	Add: Investment income (losses)	**–**	(40)
	Including: Income (losses) from investments in associates and joint ventures	**–**	(40)
II	**Operating profit**	**(236,419)**	(713,606)
	Add: Non-operating income	**42,040**	3
	Including: Gains from disposal of non-current assets	**41,966**	–
	Less: Non-operating expenses	**18**	24
	Including: Losses from disposal of non-current assets	**18**	24
III	**Total profit**	**(194,397)**	(713,627)
	Less: Income tax expenses	**–**	(8,901)
IV	**Net profit**	**(194,397)**	(704,726)
V	**Other comprehensive income, net of income tax**	**(2,560)**	609
	(I) Items that will not be reclassified subsequently to profit or loss	**(2,560)**	626
	1. Re-measurement of defined benefit obligations	**(2,560)**	626
	(II) Items that may be reclassified subsequently to profit or loss	**–**	(17)
	1. Exchange differences on translating foreign operations	**–**	(17)
VI	**Total comprehensive income**	**(196,957)**	(704,117)

VI. CONSOLIDATED AND THE COMPANY'S CASH FLOWS STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

Items		Amount for the current period	Amount for the prior period
I	**Cash Flows from Operating Activities:**		
	Cash receipts from the sale of goods and the rendering of services	**101,900,408**	91,970,346
	Receipts of tax refunds	**317,528**	36,849
	Other cash receipts relating to operating activities	**1,018,254**	3,230,164
	Sub-total of cash inflows from operating activities	**103,236,190**	95,237,359
	Cash payments for goods purchased and services received	**87,598,119**	78,949,874
	Cash payments to and on behalf of employees	**7,589,863**	7,401,188
	Payments of various types of taxes	**6,664,029**	5,707,070
	Other cash payments relating to operating activities	**5,437,768**	8,911,763
	Sub-total of cash outflows from operating activities	**107,289,779**	100,969,895
	Net Cash Flows from Operating Activities	**(4,053,589)**	(5,732,536)
II	**Cash Flows from Investing Activities:**		
	Cash receipts from disposals and recovery of investments	**18,313**	10,134
	Cash receipts from investment income	**168,872**	6,117
	Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	**51,039**	147,658
	Other cash receipts relating to investing activities	**53,504**	61,568
	Sub-total of cash inflows from investing activities	**291,728**	225,477
	Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	**1,370,674**	963,515
	Cash payments to acquire investments	**520,722**	40,621
	Other cash payments relating to investing activities	**552,231**	162,040
	Sub-total of cash outflows from investing activities	**2,443,627**	1,166,176
	Net Cash Flows from Investing Activities	**(2,151,899)**	(940,699)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

Items		Amount for the current period	Amount for the prior period
III	**Cash Flows from Financing Activities:**		
	Cash receipts from capital contributions	**4,955,368**	129,249
	Including: Cash receipts from capital contributions by non-controlling interests of subsidiaries	**30,368**	129,249
	Cash receipts from issue perpetual bonds	**4,925,000**	–
	Cash receipts from borrowings	**38,757,288**	50,311,043
	Other cash receipts relating to financing activities	**1,102,534**	–
	Sub-total of cash inflows from financing activities	**44,815,190**	50,440,292
	Cash repayments of borrowings	**39,866,071**	47,280,594
	Cash payments for distribution of dividends or profits or settlement of interest expenses	**2,799,942**	3,232,584
	Including: Payments for distribution of dividends or profits to non-controlling interests of subsidiaries	**74,675**	141,753
	Other cash payments relating to financing activities	**47,665**	1,040,709
	Sub-total of cash outflows from financing activities	**42,713,678**	51,553,887
	Net Cash Flows from Financing Activities	**2,101,512**	(1,113,595)
IV	**Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents**	**(16,379)**	53,256
V	**Net Increase in Cash and Cash Equivalents**	**(4,120,355)**	(7,733,574)
	Add: Opening balance of Cash and Cash equivalents	**28,571,177**	31,242,554
VI	**Closing Balance of Cash and Cash Equivalents**	**24,450,822**	23,508,980

THE COMPANY'S CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

Items		Amount for the current period	Amount for the prior period
I	**Cash Flows from Operating Activities:**		
	Cash receipts from the sale of goods and the rendering of services	**1,024,480**	846,707
	Receipts of tax refunds	**8,979**	–
	Other cash receipts relating to operating activities	**66,538**	83,500
	Sub-total of cash inflows from operating activities	**1,099,997**	930,207
	Cash payments for goods purchased and services received	**955,949**	588,443
	Cash payments to and on behalf of employees	**37,574**	26,663
	Payments of various types of taxes	**18,877**	23,188
	Other cash payments relating to operating activities	**22,447**	79,243
	Sub-total of cash outflows from operating activities	**1,034,847**	717,537
	Net Cash Flows from Operating Activities	**65,150**	212,670
II	**Cash Flows from Investing Activities:**		
	Cash receipts from investment income	**782,743**	469,025
	Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	**–**	8
	Sub-total of cash inflows from investing activities	**782,743**	469,033
	Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	**681**	4,132
	Cash payments to acquire investments	**625,000**	1,032,748
	Other cash payments relating to investing activities	**2,398,437**	393,569
	Sub-total of cash outflows from investing activities	**3,024,118**	1,430,449
	Net Cash Flows from Investing Activities	**(2,241,375)**	(961,416)

THE COMPANY'S CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

Items		Amount for the current period	Amount for the prior period
III	**Cash Flows from Financing Activities:**		
	Cash receipts from investments	**4,925,000**	–
	Including: Cash receipts from perpetual bond	**4,925,000**	–
	Cash receipts from borrowings	**17,443,387**	23,895,864
	Other cash receipts relating to financing activities	**–**	19,700
	Sub-total of cash inflows from financing activities	**22,368,387**	23,915,564
	Cash repayments of borrowings	**23,338,563**	24,377,620
	Cash payments for distribution of dividends or profits or settlement of interest expenses	**856,373**	1,052,719
	Other cash payments relating to financing activities	**38,162**	31,873
	Sub-total of cash outflows from financing activities	**24,233,098**	25,462,212
	Net Cash Flows from Financing Activities	**(1,864,711)**	(1,546,648)
IV	**Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents**	**(18)**	30,068
V	**Net Increase in Cash and Cash Equivalents**	**(4,040,954)**	(2,265,326)
	Add: Opening balance of Cash and Cash equivalents	**7,025,950**	6,494,604
VI	**Closing Balance of Cash and Cash Equivalents**	**2,984,996**	4,229,278

VII. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

	FOR THE SIX MONTHS ENDED 30 JUNE 2015											
	Attributable to shareholders of the Company											
		Other equity instruments										
Items	Share capital	Preference share	Perpetual bond	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Non-controlling interests	Total shareholders' equity
I Closing balance of the preceding period	**19,110,000**	**-**	**-**	**-**	**17,826,218**	**-**	**583,421**	**12,550**	**529,549**	**9,275,519**	**10,687,251**	**58,024,508**
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior periods errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II Opening balance of the current period	**19,110,000**	**-**	**-**	**-**	**17,826,218**	**-**	**583,421**	**12,550**	**529,549**	**9,275,519**	**10,687,251**	**58,024,508**
III Changes for the period	**-**	**-**	**4,925,000**	**-**	**2,434**	**-**	**74,945**	**-**	**-**	**1,216,765**	**248,838**	**6,467,982**
(I) Total comprehensive income	-	-	-	-	-	-	74,945	-		2,172,265	277,504	2,524,714
(II) Shareholders' contributions and reduction in capital	-	-	**4,925,000**	-	**2,434**	-	-	-	-	-	**27,934**	**4,955,368**
1. Capital contribution from owners	-	-	-	-	-	-	-	-	-	-	**30,368**	**30,368**
2. Capital contribution from holders of other equity instruments	-	-	**4,925,000**	-	-	-	-	-	-	-	-	**4,925,000**
3. Others	-	-	-	-	**2,434**	-	-	-	-	-	**(2,434)**	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	**(955,500)**	**(56,600)**	**(1,012,100)**
1. Transfer to surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-	-	-	**(955,500)**	**(56,600)**	**(1,012,100)**
3. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer to special reserve in the current period	-	-	-	-	-	-	-	**903,563**	-	-	**75,505**	**979,068**
2. Amount utilized in the current period	-	-	-	-	-	-	-	**(903,563)**	-	-	**(75,505)**	**(979,068)**
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
IV Closing balance of the current period	**19,110,000**	**-**	**4,925,000**	**-**	**17,828,652**	**-**	**658,366**	**12,550**	**529,549**	**10,492,284**	**10,936,089**	**64,492,490**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

	FOR THE SIX MONTHS ENDED 30 JUNE 2014											
	Attributable to shareholders of the Company											
		Other equity instruments										
Items	Share capital	Preference share	Perpetual bond	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Non-controlling interests	Total shareholders' equity
I Closing balance of the preceding period	19,110,000	–	–	–	17,947,113	–	465,797	12,550	420,659	6,585,181	10,523,919	55,065,219
Add: Changes in accounting policies	–	–	–	–	–	–	–	–	–	–	–	–
Corrections of prior periods errors	–	–	–	–	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–	–	–	–	–
II Opening balance of the current period	19,110,000	–	–	–	17,947,113	–	465,797	12,550	420,659	6,585,181	10,523,919	55,065,219
III Changes for the period	–	–	–	–	(112,186)	–	(254,236)	–	–	643,625	340,834	618,037
(I) Total comprehensive income	–	–	–	–	–	–	(254,236)	–	–	1,809,335	149,040	1,704,139
(II) Shareholders' contributions and reduction in capital	–	–	–	–	(112,186)	–	–	–	–	–	263,301	151,115
1. Capital contribution from owners	–	–	–	–	–	–	–	–	–	–	159,487	159,487
2. Capital contribution from holders of other equity instruments	–	–	–	–	–	–	–	–	–	–	–	–
3. Others	–	–	–	–	(112,186)	–	–	–	–	–	103,814	(8,372)
(III) Profit distribution	–	–	–	–	–	–	–	–	–	(1,165,710)	(71,507)	(1,237,217)
1. Transfer to surplus reserve	–	–	–	–	–	–	–	–	–	–	–	–
2. Distributions to shareholders	–	–	–	–	–	–	–	–	–	(1,165,710)	(71,507)	(1,237,217)
3. Others	–	–	–	–	–	–	–	–	–	–	–	–
(IV) Transfers within shareholders' equity	–	–	–	–	–	–	–	–	–	–	–	–
1. Capitalization of capital reserve	–	–	–	–	–	–	–	–	–	–	–	–
2. Capitalization of surplus reserve	–	–	–	–	–	–	–	–	–	–	–	–
3. Loss offset by surplus reserve	–	–	–	–	–	–	–	–	–	–	–	–
4. Others	–	–	–	–	–	–	–	–	–	–	–	–
(V) Special reserve	–	–	–	–	–	–	–	–	–	–	–	–
1. Transfer to special reserve in the current period	–	–	–	–	–	–	–	908,822	–	–	93,400	1,002,222
2. Amount utilized in the current period	–	–	–	–	–	–	–	(908,822)	–	–	(93,400)	(1,002,222)
(VI) Others	–	–	–	–	–	–	–	–	–	–	–	–
IV Closing balance of the current period	19,110,000	–	–	–	17,834,927	–	211,561	12,550	420,659	7,228,806	10,864,753	55,683,256

VIII THE COMPANY’S STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

THE COMPANY’S STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB’000

	FOR THE SIX MONTHS ENDED 30 JUNE 2015										
		Other equity instruments				Less:	Other				Total
Items	Share capital	Preference share	Perpetual bond	Others	Capital reserve	Treasury shares	comprehensive income	Special reserve	Surplus reserve	Retained profits	shareholders’ equity
I Closing balance of the preceding period	**19,110,000**	**-**	**-**	**-**	**33,481,220**	**-**	**3,267**	**12,550**	**529,549**	**995,929**	**54,132,515**
Add： Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior periods errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II Opening balance of the current period	**19,110,000**	**-**	**-**	**-**	**33,481,220**	**-**	**3,267**	**12,550**	**529,549**	**995,929**	**54,132,515**
III Changes for the period	**-**	**-**	**4,925,000**	**-**	**-**	**-**	**(2,556)**	**-**	**-**	**(1,149,901)**	**3,772,543**
(I) Total comprehensive income	-	-	-	-	-	-	**(2,560)**	-	-	**(194,397)**	**(196,957)**
(II) Shareholders’ contributions and reduction in capital	-	-	**4,925,000**	-	-	-	**4**	-	-	**(4)**	**4,925,000**
1. Capital contribution from owners	-	-	-	-	-	-	-	-	-	-	-
2. Capital contribution from holders of other equity instruments	-	-	**4,925,000**	-	-	-	-	-	-	-	**4,925,000**
3. Others	-	-	-	-	-	-	**4**	-	-	**(4)**	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	**(955,500)**	**(955,500)**
1. Transfer to surplus reserve	-	-	-	-	-	-	-	-	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-	-	-	**(955,500)**	**(955,500)**
3. Others	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfers within shareholders’ equity	-	-	-	-	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-
1. Transfer to special reserve in the current period	-	-	-	-	-	-	-	-	-	-	-
2. Amount utilized in the current period	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-
IV Closing balance of the current period	**19,110,000**	**-**	**4,925,000**	**-**	**33,481,220**	**-**	**711**	**12,550**	**529,549**	**(153,972)**	**57,905,058**

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

All amounts in RMB'000

FOR THE SIX MONTHS ENDED 30 JUNE 2014

Items	Share capital	Other equity instruments: Preference share	Other equity instruments: Perpetual bond	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Total shareholders' equity
I Closing balance of the preceding period	19,110,000	–	–	–	33,481,220	–	(159)	12,550	420,659	1,181,626	54,205,896
Add： Changes in accounting policies	–	–	–	–	–	–	–	–	–	–	–
Corrections of prior periods errors	–	–	–	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–	–	–	–
II Opening balance of the current period	19,110,000	–	–	–	33,481,220	–	(159)	12,550	420,659	1,181,626	54,205,896
III Changes for the period	–	–	–	–	–	–	609	–	–	(1,870,436)	(1,869,827)
(I) Total comprehensive income	–	–	–	–	–	–	609	–	–	(704,726)	(704,117)
(II) Shareholders' contributions and reduction in capital	–	–	–	–	–	–	–	–	–	–	–
1. Capital contribution from owners	–	–	–	–	–	–	–	–	–	–	–
2. Capital contribution from holders of other equity instruments	–	–	–	–	–	–	–	–	–	–	–
3. Others	–	–	–	–	–	–	–	–	–	–	–
(III) Profit distribution	–	–	–	–	–	–	–	–	–	(1,165,710)	(1,165,710)
1. Transfer to surplus reserve	–	–	–	–	–	–	–	–	–	–	–
2. Distributions to shareholders	–	–	–	–	–	–	–	–	–	(1,165,710)	(1,165,710)
3. Others	–	–	–	–	–	–	–	–	–	–	–
(IV) Transfers within shareholders' equity	–	–	–	–	–	–	–	–	–	–	–
1. Capitalization of capital reserve	–	–	–	–	–	–	–	–	–	–	–
2. Capitalization of surplus reserve	–	–	–	–	–	–	–	–	–	–	–
3. Loss offset by surplus reserve	–	–	–	–	–	–	–	–	–	–	–
4. Others	–	–	–	–	–	–	–	–	–	–	–
(V) Special reserve	–	–	–	–	–	–	–	–	–	–	–
1. Transfer to special reserve in the current period	–	–	–	–	–	–	–	–	–	–	–
2. Amount utilized in the current period	–	–	–	–	–	–	–	–	–	–	–
(VI) Others	–	–	–	–	–	–	–	–	–	–	–
IV Closing balance of the current period	19,110,000	–	–	–	33,481,220	–	450	12,550	420,659	(688,810)	52,336,069

IX. NOTES TO THE FINANCIAL STATEMENT

I BASIC CORPORATE INFORMATION

Metallurgical Corporation of China Ltd. (the "Company") was established as a joint stock limited liability company by China Metallurgical Group Corporation ("CMGC") and Baosteel Group Corporation ("BGC") as promoters on 1 December 2008 and was registered in Beijing in the People's Republic of China (the "PRC"). Upon the approval by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (the "SASAC") of Guozi Reform [2008] 528 Approval for CMGC's Group Restructuring and Dual Listing in Domestic and Overseas Markets, issued on 10 June, 2008. 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 registered capital of the Company was RMB13 billion, representing 13 billion ordinary shares of RMB1.0 each. On 14 September 2009, the Company issued 3,500 million A shares of the Company to domestic investors and these A shares of the Company were listed on the Shanghai Stock Exchange on 21 September 2009, and 2,610 million H shares of the Company were issued 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 BGC have transferred a total amount of 350 million domestic shares of the Company to National Council for State Security Fund ("NSSF") of the PRC and converted 261 million domestic shares into H shares and transferred to NSSF, among which 261 million H shares were offered for sale upon issuance of H shares of the Company. Upon completion of the public offering of A shares and H shares above, the total registered capital of the Company increased to RMB19.11 billion.

The Company and its subsidiaries (the "Group") are principally engaged in the following activities (Core Operations): engineering and construction, property development, equipment manufacturing, and resources development.

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

I BASIC CORPORATE INFORMATION *(Continued)*

The Group provide services and products as follows: provision of engineering, construction and other related contracting services for metallurgical and non-metallurgical projects ("engineering and construction"); development and sale of residential and commercial properties, affordable housing and primary land development ("property development"); development and production of metallurgical equipment, steel structures and other metal products ("equipment manufacturing"); and development, mining and processing of mineral resources and the production of nonferrous metal and polysilicon ("resources development").

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

The Company and consolidated financial statements had been approved by the Board of Directors of the Company on 25 August 2015.

II SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Basis of preparation

The Group has adopted the Accounting Standards for Business Enterprises (the "CASBE") issued by the Ministry of Finance (the "MoF") and the implementation guidance, interpretations and other relevant provisions issued or revised subsequently by the MoF (collectively referred to as "ASBE").

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

II SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

1. Basis of preparation (Continued)

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, also referring to the relevant provisions issued by the MoF and the China Securities Regulatory Commission (the "CSRC"), and approved by the general meeting of stockholders of the Company, from fiscal year 2014, the Company no longer provides the financial statements prepared in accordance with the CASBE and the International Financial Reporting Standards (the "IFRS") separately to stockholders of A shares and H shares. Instead, the Company provides the financial statements prepared in accordance with the CASBE to all stockholders, taking the relevant disclosure standards of Hong Kong Companies Ordinance and Hong Kong Listing Rules into consideration.

In addition, the Group has disclosed relevant financial information in these financial statements in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15—General Provisions on Financial Reporting (revised by CSRC in 2014).

2. Statement of compliance

These financial statements are in compliance with the CASBE to truly and completely reflect consolidated and the Company's financial position as at 30 June 2015 and consolidated and the Company's operating results and cash flows for the six months then ended.

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

II SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

3. Accounting period

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

4. Reporting currency

The Company and its domestic subsidiaries choose 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. Their financial statements were presented in RMB when being consolidated into consolidated financial statements. The Company adopts RMB to present its financial statements.

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. *Cash and bank balances*

All amounts in RMB'000

Items	Closing balance	Opening balance
Cash	**31,249**	23,660
RMB	**19,469**	16,656
USD	**1,933**	1,964
EUR	**160**	138
AUD	**319**	275
Others	**9,368**	4,627
Bank deposits	**22,088,384**	26,732,332
RMB	**18,569,352**	23,245,720
USD	**2,253,555**	2,303,973
EUR	**50,681**	33,692
AUD	**192,917**	184,729
Others	**1,021,879**	964,218
Other cash and bank	**6,066,958**	6,653,488
RMB	**6,007,410**	6,498,316
USD	**27,013**	117,702
EUR	**2,820**	3,060
AUD	**3,313**	3,529
Others	**26,402**	30,881
Total	**28,186,591**	33,409,480
Including: Total amount of deposits abroad	**1,733,503**	1,344,935

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. Bills receivable

All amounts in RMB'000

Items	Closing balance	Opening balance
Bank acceptance bills	**5,519,124**	7,238,677
Commercial acceptance bills	**2,340,332**	2,738,897
Total	**7,859,456**	9,977,574

3. Accounts receivable

(1) Aging analysis of accounts receivable was as follows:

All amounts in RMB'000

Aging	Closing balance	Opening balance
Within 1 year	**41,107,993**	38,947,676
1 to 2 years	**14,415,931**	13,341,763
2 to 3 years	**5,407,343**	6,333,875
3 to 4 years	**3,357,896**	2,231,819
4 to 5 years	**1,159,429**	1,163,111
Over 5 years	**2,037,191**	1,450,285
Total	**67,485,783**	63,468,529

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. Accounts receivable (Continued)

(2) Accounts receivable disclosed by category

All amounts in RMB'000

Category	Closing balance					Opening balance				
	Book value		Provision for bad debts		Carrying	Book value		Provision for bad debts		Carrying
	Amount	Ratio (%)	Amount	Ratio (%)	amount	Amount	Ratio (%)	Amount	Ratio (%)	amount
Individually significant and subject to provision individually	**2,940,290**	**4.36**	**1,037,252**	**35.28**	**1,903,038**	2,756,520	4.34	934,954	33.92	1,821,566
Subject to provision by groups with credit risk	**63,327,977**	**/**	**6,714,140**	**/**	**56,613,837**	59,492,385	/	6,186,119	/	53,306,266
Group1	**50,318,392**	**74.56**	**6,714,140**	**13.34**	**43,604,252**	44,726,855	70.47	6,186,119	13.83	38,540,736
Group2	**13,009,585**	**19.28**	**–**	**–**	**13,009,585**	14,765,530	23.26	–	–	14,765,530
Accounts receivable which are individually insignificant but subject to provision individually	**1,217,516**	**1.80**	**715,040**	**58.73**	**502,476**	1,219,624	1.93	548,174	44.95	671,450
Total	**67,485,783**	**/**	**8,466,432**	**/**	**59,019,351**	63,468,529	/	7,669,247	/	55,799,282

4. Prepayments

All amounts in RMB'000

Aging	**Closing balance**		Opening balance	
	Amount	**As a percentage of total prepayments (%)**	Amount	As a percentage of total prepayments (%)
Within 1 year	**10,013,750**	**71.42**	12,350,371	74.80
1 to 2 years	**1,568,239**	**11.18**	1,807,721	10.95
2 to 3 years	**902,788**	**6.44**	1,079,607	6.54
Over 3 years	**1,537,258**	**10.96**	1,273,024	7.71
Total	**14,022,035**	**100.00**	16,510,723	100.00

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. Other receivables

(1) Aging analysis of other receivables

All amounts in RMB'000

Aging	Closing balance	Opening balance
Within 1 year	**14,942,870**	13,600,181
1 to 2 years	**4,082,555**	3,730,253
2 to 3 years	**1,958,331**	1,795,603
3 to 4 years	**895,476**	828,925
4 to 5 years	**478,685**	494,921
Over 5 years	**1,316,007**	1,240,763
Total	**23,673,924**	21,690,646

(2) Other receivables disclosed by category

All amounts in RMB'000

	Closing balance					Opening balance				
	Book value		Provision for bad debts		Carrying	Book value		Provision for bad debts		Carrying
Category	Amount	Ratio (%)	Amount	Ratio (%)	amount	Amount	Ratio (%)	Amount	Ratio (%)	amount
Individually significant and subject to provision individually	**560,050**	**2.37**	**323,205**	**57.71**	**236,845**	460,050	2.12	223,205	48.52	236,845
Subject to provision by groups with credit risk	**22,249,818**	**/**	**1,446,978**	**/**	**20,802,840**	20,788,292	/	1,357,991	/	19,430,301
Group1	**6,633,090**	**28.02**	**1,446,978**	**21.81**	**5,186,112**	5,529,046	25.49	1,357,991	24.56	4,171,055
Group2	**15,616,728**	**65.97**	**–**	**–**	**15,616,728**	15,259,246	70.35	–	–	15,259,246
Other receivables which are individually insignificant but subject to provision individually	**864,056**	**3.64**	**371,200**	**42.96**	**492,856**	442,304	2.04	341,131	77.13	101,173
Total	**23,673,924**	**/**	**2,141,383**	**/**	**21,532,541**	21,690,646	/	1,922,327	/	19,768,319

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. Other receivables (Continued)

(3) Other receivables categorised by nature

All amounts in RMB'000

Nature of other receivable	**Closing balance**	Opening balance
Guarantee deposits	**15,768,638**	14,049,569
Loan receivables from related parties and third parties	**3,561,839**	3,009,608
Advance to employees	**676,670**	477,538
Receivables on disposal of investments	**1,027,010**	2,346,808
Others	**2,639,767**	1,807,123
Total	**23,673,924**	21,690,646

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. *Inventories*

(1) Categories

All amounts in RMB'000

	Closing balance			Opening balance		
Items	**Book value**	**Provision for impairment**	**Carrying amount**	Book value	Provision for impairment	Carrying amount
Raw materials	**2,228,933**	**106,783**	**2,122,150**	2,383,904	99,522	2,284,382
Materials procurement	**211,144**	**–**	**211,144**	156,771	–	156,771
Outsourced processing materials	**60,920**	**–**	**60,920**	65,854	–	65,854
Work in progress	**2,690,147**	**15,297**	**2,674,850**	2,254,347	13,161	2,241,186
Finished goods	**2,710,410**	**121,066**	**2,589,344**	2,387,633	91,923	2,295,710
Other materials	**454,414**	**6,650**	**447,764**	491,845	4,950	486,895
Gross amount due from contract customers	**51,630,903**	**1,098,597**	**50,532,306**	42,125,774	1,166,497	40,959,277
Properties under development	**54,194,693**	**–**	**54,194,693**	47,229,938	–	47,229,938
Completed properties held for sale	**10,640,170**	**11,262**	**10,628,908**	10,707,241	11,262	10,695,979
Total	**124,821,734**	**1,359,655**	**123,462,079**	107,803,307	1,387,315	106,415,992

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. Inventories (Continued)

(2) Provision for impairment

All amounts in RMB'000

Items	Opening balance	Increase: Provision	Increase: Others	Decrease: Reversals	Decrease: Write-offs	Decrease: Others	Closing balance
Raw materials	99,522	10,420	–	–	3,159	–	106,783
Work in progress	13,161	2,136	–	–	–	–	15,297
Finished goods	91,923	39,132	–	–	9,978	11	121,066
Other materials	4,950	1,704	–	–	4	–	6,650
Gross amount due from contract customers	1,166,497	24,332	–	23,790	3,425	65,017	1,098,597
Completed properties held for sale	11,262	–	–	–	–	–	11,262
Total	1,387,315	77,724	–	23,790	16,566	65,028	1,359,655

(3) Gross amount due from contract customers of construction contracts at the end of the period

All amounts in RMB'000

Items	**Closing balance**
Contract costs incurred to date	541,843,369
Recognized profits to date	41,247,046
Less: Estimated loss	1,098,597
Accumulated settlements	531,459,512
Gross amount due from contract customers	50,532,306

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. Inventories (Continued)

In 2012, MCC Mining (Western Australia) Pty Ltd. ("Western Australia"), a wholly owned subsidiary of the Group, postponed the SINO Iron Project, due to the reason like extreme weather condition in Australia and other unpredictable reasons. The Group negotiated with China CITIC Group Ltd. ("CITIC Group", the parent company of CITIC Limited) for the project delay and the contract price after cost overruns. CITIC Group 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 controlled to USD4.357 billion. The ultimate construction costs for the aforesaid project should be determined by an audit performed by an independent third party. Based on the consensus with CITIC Group above and the estimated total construction costs of the project, the Group had recognized impairment loss on contract costs of USD481 million (equivalent to approximately RMB3.035 billion) for the year ended 31 December 2012.

Up to 31 December 2013, the first and the second production lines of the project were completed and put into operation. Western Australia and Sino Iron Pty Ltd. (a wholly owned subsidiary of CITIC Limited) signed the Fourth Supplementary Agreement of SINO Iron Project in Western Australia dated 24 December 2013 for the handing over of the first and the second production lines of the project to CITIC Group at the end of 2013. As such, the construction, installation and trial running work set out in the EPC contract for the project entered into by Western Australia was completed. For the third to sixth production lines of the project, Western Australia and Northern Engineering & Technology Corporation, a subsidiary of the Company, have entered into Project Management Service Agreement and Engineering Design and Equipment Procurement Management Technology Service Agreement, respectively, with CITIC Group for the provision of follow-up technology management services to CITIC Group. In addition, both the Group and CITIC Group have agreed to engage an independent third party to perform an audit of the total construction costs incurred for the project, the reasonableness of the construction costs incurred, the reasons of the project delay and the responsibility for the delay. Based on the final result of the audit, the Group and CITIC Group will make final settlement of the project.

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. Inventories (Continued)

Up to 30 June 2015, 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. Based on the latest assessment of the project costs, the Group is of the view that the previous estimation of project construction costs made at the end of 2012 should not have any significant change. Hence, as at 30 June 2015, the Group did not make any adjustment on the provision for loss of the project.

Since the final project construction costs should be finalized by the audit to be completed by an independent third party, the outcome of the audit is uncertain. After the completion of the audit mentioned above, the Group will actively follow up with CITIC Group for negotiation and discussion in reaching the final agreed project construction costs and make relevant accounting treatments accordingly.

7. Long-term receivables

All amounts in RMB'000

Items	Closing balance			Opening balance			
	Book value	**Provision for impairment**	**Carrying amount**	Book value	Provision for impairment	Carrying amount	Range of discount rate
Receivables on "Build-Transfer" project receivables	**20,165,435**	**154,709**	**20,010,726**	21,250,763	106,926	21,143,837	/
Receivables on disposal of equity investments	**306,814**	**-**	**306,814**	259,530	–	259,530	5.40%
Others	**2,027,850**	**-**	**2,027,850**	847,698	–	847,698	4.85% to 8%
Total	**22,500,099**	**154,709**	**22,345,390**	22,357,991	106,926	22,251,065	/
Including: Long term receivables due within one year	**5,649,114**	**28,287**	**5,620,827**	4,901,847	34,067	4,867,780	/
Long term receivables due after one year	**16,850,985**	**126,422**	**16,724,563**	17,456,144	72,859	17,383,285	/

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

8. Bills payable

All amounts in RMB'000

Category	Closing balance	Opening balance
Commercial acceptance bills	**732,402**	492,975
Bank acceptance bills	**13,006,112**	11,315,516
Total	**13,738,514**	11,808,491

9. Accounts payable

(1) Accounts payable

All amounts in RMB'000

Items	Closing balance	Opening balance
Project fees	**49,991,343**	47,510,512
Purchases	**19,155,974**	18,271,806
Design fees	**137,815**	142,596
Labor fees	**4,513,281**	4,170,684
Accrued accounts payable	**7,816,864**	6,738,635
Retention money	**456,596**	392,229
Others	**514,022**	495,701
Total	**82,585,895**	77,722,163

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Accounts payable (Continued)

(2) Aging analysis of accounts payable

All amounts in RMB'000

Aging	**Closing balance**	Opening balance
Within 1 year	**58,864,071**	52,328,513
1 to 2 years	**14,174,713**	15,524,584
2 to 3 years	**4,593,122**	4,934,765
Over 3 years	**4,953,989**	4,934,301
Total	**82,585,895**	77,722,163

10. Receipts in advance

All amounts in RMB'000

Items	**Closing balance**	Opening balance
Project fees	**9,267,740**	11,287,564
Sales proceeds	**9,727,181**	8,387,364
Design fees	**914,904**	1,000,162
Labor fees	**49,438**	32,831
Gross amounts due to contract customers	**13,010,094**	12,913,718
Others	**360,603**	357,211
Total	**33,329,960**	33,978,850

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

11. Dividends payable

All amounts in RMB'000

Items	Closing balance	Opening balance
MCC	**613,255**	–
Other shareholders except MCC	**342,245**	–
Other dividends	**486,856**	504,931
Total	**1,442,356**	504,931

12. Operating revenue and operating costs

All amounts in RMB'000

	Amount for the current period		Amount for the prior period	
Items	**Operating revenue**	**Operating costs**	Operating revenue	Operating costs
Principal business	**100,038,770**	**87,037,525**	95,733,176	83,994,696
Other business	**652,781**	**556,134**	433,376	302,173
Total	**100,691,551**	**87,593,659**	96,166,552	84,296,869

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

12. Operating revenue and operating costs (Continued)

(1) Classified by industries

All amounts in RMB'000

Items	**Amount for the current period**		Amount for the prior period	
	Principal operating revenue	**Principal operating costs**	Principal operating revenue	Principal operating costs
Engineering and construction	**84,128,524**	**73,836,584**	79,638,300	70,160,599
Property development	**9,898,119**	**7,730,414**	9,188,698	7,677,214
Equipment manufacturing	**3,660,464**	**3,153,737**	3,733,520	3,358,041
Resources development	**1,236,246**	**1,350,941**	1,842,730	1,580,271
Others	**1,115,417**	**965,849**	1,329,928	1,218,571
Total	**100,038,770**	**87,037,525**	95,733,176	83,994,696

(2) Classified by geographic locations

All amounts in RMB'000

Items	**Amount for the current period**		Amount for the prior period	
	Principal operating revenue	**Principal operating costs**	Principal operating revenue	Principal operating costs
China	**95,305,368**	**82,486,744**	87,833,199	76,936,527
Other countries/regions	**4,733,402**	**4,550,781**	7,899,977	7,058,169
Total	**100,038,770**	**87,037,525**	95,733,176	83,994,696

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

13. Business taxes and levies

All amounts in RMB'000

Items	**Amount for the current period**	Amount for the prior period
Business tax	**2,145,412**	1,952,799
City construction and maintenance tax	**168,885**	165,513
Education surcharges	**131,410**	118,962
Land appreciation tax	**83,998**	85,242
Others	**87,247**	75,295
Total	**2,616,952**	2,397,811

14. Selling expenses

All amounts in RMB'000

Items	**Amount for the current period**	Amount for the prior period
Packing charges	**1,608**	1,400
Employee compensation costs	**229,065**	210,277
Depreciation expenses	**6,837**	5,476
Travelling expenses	**64,661**	57,249
Office expenses	**89,773**	96,995
Transportation expenses	**69,636**	133,188
Advertising expenses	**93,258**	110,174
Others	**51,182**	74,525
Total	**606,020**	689,284

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

15. Administrative expenses

All amounts in RMB'000

Items	Amount for the current period	Amount for the prior period
Employee compensation costs	**1,849,148**	1,740,401
Depreciation expenses	**316,483**	311,101
Travelling expenses	**121,731**	127,229
Office expenses	**271,160**	268,878
Lease rentals	**49,899**	50,842
Research and development expenses	**838,291**	663,664
Repairs and maintenance expenses	**42,626**	36,818
Amortization of intangible assets	**84,944**	82,757
Consulting expenses	**57,212**	102,419
Tax charges	**154,916**	170,305
Others	**281,142**	316,612
Total	**4,067,552**	3,871,026

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

16. Financial expenses

All amounts in RMB'000

Items	**Amount for the current period**	Amount for the prior period
Interest expenses	**3,251,890**	3,368,235
Including: Interest of bank borrowings and other borrowings wholly repayable within five years	**2,670,108**	2,503,906
Interest of bank borrowings and other borrowings wholly repayable over five years	**408,919**	485,555
Interest on finance leases	**8,856**	4,982
Others	**164,007**	373,792
Less: Capitalized interests	**1,369,933**	1,262,480
Less: Interest income	**622,527**	576,349
Exchange losses (gains)	**150,910**	(199,415)
Bank charges	**141,141**	201,271
Others	**215,915**	100,975
Total	**1,767,396**	1,632,237

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

17. Impairment losses on assets

All amounts in RMB'000

Items	Amount for the current period	Amount for the prior period
1. Bad debt provision	**1,002,911**	579,538
Including: Accounts receivable bad debts	**729,146**	455,534
Other accounts receivable bad debts	**219,273**	123,999
2. Impairment of inventories	**53,934**	295,659
3. Impairment of available-for-sale financial assets	**–**	1,109
4. Impairment of long-term equity investments	**–**	38,737
5. Impairment of fixed assets	**608**	140,052
6. Impairment of construction in progress	**–**	42,211
7. Others	**840**	(3,280)
Total	**1,058,293**	1,094,026

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

18. Investment income

All amounts in RMB'000

Items	**Amount for the current period**	Amount for the prior period
Losses from long-term equity investments under equity method	**(45,009)**	(124,242)
Investment income on disposal of long-term equity investments	**103,916**	552,132
Investment income on disposal of financial assets at FVTPL	**4,903**	16,615
Investment income from holding available-for-sale financial assets	**13,809**	104,296
Investment income on disposal of available-for-sale financial assets	**6,268**	3,032
Others	**39,976**	(10,761)
Total	**123,863**	541,072

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

19. Non-operating income

All amounts in RMB'000

Items	**Amount for the current period**	Amount for the prior period	Recognized in non-recurring profit or loss for the current period
Total gains on disposal of non-current assets	**22,916**	26,459	22,916
Including: Gains on disposal of fixed assets	**22,784**	19,687	22,784
Gains on disposal of intangible assets	**–**	6,359	–
Income from penalty	**6,892**	2,730	6,892
Gains on inventory taking	**76**	–	76
Government grants *(a)*	**312,531**	502,502	312,531
Approved unpayable balances	**32,896**	7,340	32,896
Others	**46,919**	22,146	46,919
Total	**422,230**	561,177	422,230

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

19. Non-operating income (Continued)

(a) Government grants recognized in profit or loss

All amounts in RMB'000

Government grants	**Amount for the current period**	Amount for the prior period	Related to assets or income
Local development subsidies	**48,550**	20,000	Related to income
Government subsidy by Luodian government	**38,509**	–	Related to income
Finance government Allocation	**25,070**	12,680	Related to income
Tax return by Baoshan luodian development	**8,335**	5,461	Related to income
Export subsidies of No.1 & 2 Blast furnace project in Taisuhejing	**6,264**	–	Related to income
Special funds for the construction of the national secondary vocational education school on reform and development	**4,929**	1,822	Related to income
Financial support funds for new industrial	**3,994**	4,988	Related to assets
Reconstruction project grants for Chongqing Dadukou District	**3,824**	–	Related to assets
Computer simulation laboratory and remote diagnosis center construction (Grant)	**3,407**	2,094	Related to income
Financial incentives for enterprises to support the Financial Bureau	**3,316**	3,250	Related to income
Others	**166,333**	452,207	Related to assets or income
Total	**312,531**	502,502	/

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

20. Non-operating expenses

All amounts in RMB'000

Items	**Amount for the current period**	Amount for the prior period	Recognized in non-recurring profit or loss for the current period
Losses on disposal of non-current assets	**13,247**	20,513	13,247
Including: Losses on disposal of fixed assets	**9,815**	16,529	9,815
Losses on disposal of intangible assets	**3,429**	3,982	3,429
Non-recurring losses	**4,228**	54,560	4,228
Fines and surcharges for overdue payments	**11,589**	14,626	11,589
Compensation and default payments	**3,570**	2,419	3,570
Losses on written-off of fixed assets	**83**	1	83
Others	**12,608**	12,572	12,608
Total	**45,325**	104,691	45,325

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

21. Income tax expense

(1) Income tax expense

All amounts in RMB'000

Items	Amount for the current period	Amount for the prior period
Current period tax expense	**1,211,697**	1,262,587
Deferred tax expenses	**(168,374)**	(46,480)
Total	**1,043,323**	1,216,107

(2) Reconciliation of income tax expenses to the accounting profit

All amounts in RMB'000

Items	Amount for the current period	Amount for the prior period
Total profit	**3,504,140**	3,177,613
Income tax expenses calculated at the statutory tax rate (25%)	**876,035**	794,403
Effect of difference between applicable tax rate and statutory tax rate	**(167,476)**	(234,240)
Income not subject to tax	**(87,172)**	(60,715)
Expenses not deductible for tax purposes	**128,178**	143,641
Utilization of previously unrecognized tax losses and other temporary differences for which no deferred income tax assets were recognized	**(78,099)**	(54,996)
Tax losses and other temporary differences for which no deferred income tax assets were recognized	**560,670**	595,192
Others	**(188,813)**	32,822
Income tax expense	**1,043,323**	1,216,107

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

21. Income tax expense (Continued)

(3) There was no provision for Hong Kong profits tax has been made as the Group did not have any assessable profits in Hong Kong for the current period.

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 of each of these companies during the current period as determined in accordance with the relevant PRC income tax rules and regulations except that certain subsidiaries were exempted or taxed at preferential rate.

Taxation of overseas subsidiaries within the Group has been calculated on the estimated assessable profit of these subsidiaries for the current period at the rates of taxation prevailing in the countries or jurisdictions in which these companies operate.

III NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

22. Other comprehensive income

All amounts in RMB'000

Items	**Amount for the current period**	Amount for the prior period
(I) Items that will not be reclassified subsequently to profit or loss		
1. Re-measurement of defined benefit obligations	**(130,228)**	(120,452)
Less: Income tax effects on re-measurement of defined benefit obligations	**422**	(10,371)
Subtotal	**(130,650)**	(110,081)
(II) Items that may be reclassified subsequently to profit or loss:		
1. Changes in fair value of available-for-sale financial assets	**127,975**	9,156
Amount included in other comprehensive income in prior periods that is transferred to profit or loss for the current period	**3,318**	2,810
Less: Income tax effects on available-for-sale financial assets	**30,257**	1,587
Subtotal	**94,400**	4,759
2. Exchange differences on translating foreign operations	**98,247**	(152,045)
Less: Income tax effects on the exchange differences on translating foreign operations	**(1,900)**	–
Subtotal	**100,147**	(152,045)
Total	**63,897**	(257,367)

IV EVENTS AFTER THE BALANCE SHEET DATE

As of the approval date of these financial statements, no significant events took place subsequent to 30 June 2015.

V OTHER SIGNIFICANT ITEMS

1. Segment information

(1) Accounting policies of the segment

The Group determines the operating segments based on the internal organizational structure, management requirements and internal reporting system. The reportable segments are determined based on operating segments.

Operating segment is a component of the Group which is 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 financial position, 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 and construction, properties development, equipment manufacturing, and resources development. The management also evaluates the operating results of the above segments generated in different geographical locations.

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

V OTHER SIGNIFICANT ITEMS *(Continued)*

1. Segment information (Continued)

(1) Accounting policies of the segment (Continued)

The information of the operating and reportable segments is derived from the information reported by the management of each respective segment. The accounting policies and measurement basis of this information are the same as the Group's accounting policies adopted in preparing these financial statements.

Intersegment transactions are based on the actual transaction price. Segment revenue and segment expenses are recognized based on the actual revenue generated and actual expenses incurred by the respective segments. Assets and liabilities are allocated to the respective segments according to the assets used or liabilities assumed in their daily operating activities.

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

V OTHER SIGNIFICANT ITEMS *(Continued)*

1. Segment information (Continued)

(2) Summarized financial information of reporting segment

(a) Segment information for the period ended 30 June 2015 and as at 30 June 2015

All amounts in RMB'000

Items	Engineering and construction	Property development	Equipment manufacturing	Resources development	Others	Unallocated amounts	Elimination between segments	Total
Operating revenue	85,377,452	9,986,562	3,823,682	1,282,808	1,365,419	–	1,144,372	100,691,551
Including: Revenue from external customers	84,616,213	9,957,479	3,730,625	1,266,535	1,120,699	–	–	100,691,551
Revenue from inter-segments	761,239	29,083	93,057	16,273	244,720	–	1,144,372	–
Operating costs	74,946,935	7,776,339	3,288,824	1,400,015	1,198,448	–	1,016,902	87,593,659
Including: External costs	74,297,035	7,754,683	3,195,767	1,378,886	967,288	–	–	87,593,659
Costs between segments	649,900	21,656	93,057	21,129	231,160	–	1,016,902	–
Operating profit/(loss)	2,828,953	1,164,472	(28,273)	(850,981)	168,091	(61,463)	93,564	3,127,235
Including: Interest income	336,308	58,315	32,561	14,160	512,406	–	331,223	622,527
Interest expense	1,239,106	130,921	112,125	306,944	424,084	–	331,223	1,881,957
Investment income/(loss) from associates and joint ventures	(94,779)	153,669	–	–	17	–	–	58,907
Non-operating income	215,995	82,800	117,108	3,534	2,793	–	–	422,230
Non-operating expenses	27,743	7,219	8,862	974	527	–	–	45,325
Total profit/(loss)	3,017,205	1,240,053	79,973	(848,421)	170,357	(61,463)	93,564	3,504,140
Income tax expense	613,073	338,543	45,572	(313)	46,448	–	–	1,043,323
Net profit/(loss)	2,404,132	901,510	34,401	(848,108)	123,909	(61,463)	93,564	2,460,817
Assets	216,112,503	98,221,814	18,243,800	20,759,009	37,215,252	3,424,298	56,455,612	337,521,064
Including: Long-term equity investments in associates and joint ventures	3,137,848	721,357	–	–	63,691	–	–	3,922,896
Non-current assets	25,855,726	3,005,104	5,465,129	15,588,811	12,821,198	–	7,698,695	55,037,273
Liabilities	196,774,347	76,761,125	11,291,694	19,963,236	29,234,725	450,450	61,447,003	273,028,574
Depreciation and amortization expenses	761,682	36,477	178,027	451,322	51,905	–	–	1,479,413
Assets impairment losses	990,403	(6,227)	27,170	45,367	1,580	–	–	1,058,293
Increase in other non-current assets other than long-term equity investments	1,034,487	99,210	134,371	128,611	7,662	–	–	1,404,341

V OTHER SIGNIFICANT ITEMS *(Continued)*

1. Segment information (Continued)

(2) Summarized financial information of reporting segment (Continued)

(b) Segment information for the period ended 30 June 2014 and as at 31 December 2014

All amounts in RMB'000

Items	Engineering and construction	Property development	Equipment manufacturing	Resources development	Others	Unallocated amounts	Elimination between segments	Total
Operating revenue	80,747,409	9,283,858	4,215,599	1,940,565	1,469,568	–	1,490,447	96,166,552
Including: Revenue from external customers	79,908,341	9,230,985	3,844,317	1,848,007	1,334,902	–	–	96,166,552
Revenue from inter-segments	839,068	52,873	371,282	92,558	134,666	–	1,490,447	–
Operating costs	71,236,504	7,765,225	3,764,508	1,657,874	1,356,161	–	1,483,403	84,296,869
Including: External costs	70,370,850	7,703,375	3,420,885	1,583,083	1,218,676	–	–	84,296,869
Costs between segments	865,654	61,850	343,623	74,791	137,485	–	1,483,403	–
Operating profit/(loss)	2,244,439	1,210,385	(191,988)	(577,824)	117,265	(74,672)	6,478	2,721,127
Including: Interest income	549,794	70,932	44,285	(155,685)	317,624	–	250,601	576,349
Interest expense	1,753,321	98,516	104,790	126,562	273,167	–	250,601	2,105,755
Investment income/(loss) from associates and joint ventures	(21,592)	(5,895)	(97,136)	–	381	–	–	(124,242)
Non-operating income	231,480	247,942	55,375	22,754	3,626	–	–	561,177
Non-operating expenses	91,930	1,957	3,687	6,812	305	–	–	104,691
Total profit/(loss)	2,383,989	1,456,370	(140,300)	(561,882)	120,586	(74,672)	6,478	3,177,613
Income tax expense	754,753	402,827	35,868	(9,841)	32,500	–	–	1,216,107
Net profit/(loss)	1,629,236	1,053,543	(176,168)	(552,041)	88,086	(74,672)	6,478	1,961,506
Assets	202,812,438	95,974,079	18,461,505	21,661,756	36,578,109	3,316,126	52,825,534	325,978,479
Including: Long-term equity investments in associates and joint ventures	3,274,750	660,069	–	–	4,392	–	–	3,939,211
Non-current assets	24,564,376	3,373,398	6,302,625	17,203,933	11,642,299	–	6,537,239	56,549,392
Liabilities	190,046,768	74,668,995	11,390,317	20,148,482	29,155,190	481,873	57,937,654	267,953,971
Depreciation and amortization expenses	761,943	32,734	185,227	489,620	38,522	–	–	1,508,046
Assets impairment losses	897,154	(3,664)	25,784	233,074	(58,322)	–	–	1,094,026
Increase in other non-current assets other than long-term equity investments	752,653	122,475	39,630	355,521	38,470	–	–	1,308,749

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

V OTHER SIGNIFICANT ITEMS *(Continued)*

1. Segment information (Continued)

(3) Other notes

(a) Revenue from external customers classified by industries

All amounts in RMB'000

Items	**Amount recognized in the current period**	Amount recognized in the prior period
Engineering and construction	**84,616,213**	79,908,341
Property development	**9,957,479**	9,230,985
Equipment manufacturing	**3,730,625**	3,844,317
Resources development	**1,266,535**	1,848,007
Others	**1,120,699**	1,334,902
Total	**100,691,551**	96,166,552

(b) Revenue from external customers classified by source of income and non-current assets classified by geographic locations

All amounts in RMB'000

Operating revenue	**Amount recognized in the current period**	Amount recognized in the prior period
China	**95,860,142**	88,189,598
Other countries/regions	**4,831,409**	7,976,954
Total	**100,691,551**	96,166,552

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

V OTHER SIGNIFICANT ITEMS *(Continued)*

1. Segment information (Continued)

(3) Other notes (Continued)

(b) Revenue from external customers classified by source of income and non-current assets classified by geographic locations *(Continued)*

All amounts in RMB'000

Non-current assets	Closing balance	Opening balance
China	**42,260,484**	41,974,828
Other countries/regions	**12,776,789**	14,574,564
Total	**55,037,273**	56,549,392

2. Earnings per share

(1) When calculating earnings per share, net profit for the current period attributable to ordinary shareholders

All amounts in RMB'000

	Amount for the current period	Amount for the prior period
Net profit for the current period attributable to shareholders of the Company	**2,172,265**	1,809,335
Including: Net profit from continuing operations	**2,172,265**	1,809,335
Less: Net profit belong to the perpetual bond holders	**21,863**	–
Net profit for the current period attributable to ordinary shareholders	**2,150,402**	1,809,335

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

V OTHER SIGNIFICANT ITEMS *(Continued)*

2. Earnings per share (Continued)

(2) For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares and its calculation process

All amounts in thousand shares

	Amount for the current period	Amount for the prior period
Number of ordinary shares outstanding at the beginning of the period	**19,110,000**	19,110,000
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	**19,110,000**	19,110,000

IX. NOTES TO THE FINANCIAL STATEMENT *(CONTINUED)*

V OTHER SIGNIFICANT ITEMS *(Continued)*

2. Earnings per share (Continued)

(3) Earnings per share

All amounts in RMB

	Amount for the current period	Amount for the prior period
Calculated based on net profit attributable to ordinary shareholders:		
Basic earnings per share	**0.11**	0.09
Diluted earnings per share	**Not applicable**	Not applicable
Calculated based on net profit from continuing operations attributable to ordinary shareholders:		
Basic earnings per share	**0.11**	0.09
Diluted earnings per share	**Not applicable**	Not applicable
Calculated based on net profit from discontinued operations attributable to ordinary shareholders:		
Basic earnings per share	**Not applicable**	Not applicable
Diluted earnings per share	**Not applicable**	Not applicable

X. SHARE CAPITAL

I. CHANGES IN SHARE CAPITAL

(I) Changes in Shares

As of 30 June 2015, the Company had a registered capital of RMB19,110,000,000, divided into 19,110,000,000 shares with a nominal value of RMB1.00 each. These shares include 16,239,000,000 A Shares and 2,871,000,000 H Shares.

There were no changes in the shares of the Company during the Reporting Period.

(II) Changes in Shares Subject to Selling Restrictions

There were no shares of the Company subject to selling restrictions during the Reporting Period.

(III) Changes in Total Number of Shares and Share Capital Structure of the Company

There were no changes in the total number of shares, nor were there any changes in the share capital structure of the Company during the Reporting Period.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

(V) Pre-Emptive Rights and Share Option Arrangements

There are no mandatory provisions for pre-emptive rights under the Articles of Association of the Company. Subject to the Hong Kong Listing Rules and pursuant to the requirements under the Articles of Association, the Company may increase its registered capital by issuing shares through public or non-public offering, issuing new shares to existing Shareholders, converting capital reserve to share capital or by using other methods as permitted by laws and administrative regulations or approved by relevant authorities.

During the Reporting Period, the Company did not have any share option arrangements.

II. PARTICULARS OF SHAREHOLDERS AND ULTIMATE CONTROLLING PERSON

(I) Number of Shareholders and their shareholding

As at the end of the Reporting Period, the Company had a total of 702,732 Shareholders. Among which, 695,603 were holders of A Shares and 7,129 were registered holders of H Shares.

Particulars of the Top 10 Shareholders[1]

Unit: Share

Name of Shareholder	Change during the Reporting Period	Total number of shares held at the end of the period	Percentage of shareholdings (%)	Number of shares held subject to selling restrictions	Number of shares pledged or frozen	Nature of Shareholder
China Metallurgical Group Corporation	0	12,265,108,500	64.18	0	0	State-owned legal person
HKSCC Nominees Limited[2]	2,899,000	2,841,425,000	14.87	0	0	Other
China Merchants Securities Co., Ltd. – Anxin CSI One Belt and One Road Theme Index Classified Fund (招商證券股份有限公司—安信中證一帶一路主題指數分級證券投資基金)	23,753,810	23,753,810	0.12	0	0	Other
Agricultural Bank of China Limited – Zhongrong CSI One Belt and One Road Index Classified Fund (中國農業銀行股份有限公司—中融中證一帶一路主題指數分級證券投資基金)	21,241,800	21,241,800	0.11	0	0	Other
Bank of China Limited – Changsheng CSI SWS One Belt and One Road Theme Index Classified Fund (中國銀行股份有限公司－長盛中證申萬一帶一路主題指數分級證券投資基金)	12,647,626	12,647,626	0.07	0	0	Other
Bank of China Limited — Harvest CSI 300 Trading Open-end Index Securities Investment Fund (中國銀行股份有限公司– 嘉實滬深300交易型開放式指數證券投資基金)	-14,674,200	11,972,310	0.06	0	0	Other
Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司—華泰柏瑞滬深300交易型開放式指數證券投資基金)	-9,525,780	10,995,423	0.06	0	0	Other
Meng Diliang (蒙棣良)	9,000,487	9,000,487	0.05	0	0	Other
Zhong Yanhua (鍾彥華)	8,699,501	8,699,501	0.05	0	0	Other
Hong Kong Securities Clearing Company Limited[3]	5,884,856	8,346,056	0.04	0	0	Other

Note 1: Figures in the table were extracted from the Company's register of Shareholders as at 30 June 2015.

Note 2: The H Shares held by HKSCC Nominees Limited are those held on behalf of its beneficial owners.

Note 3: Hong Kong Securities Clearing Company Limited held the shares of the Company as the nominee in the Shanghai-Hong Kong Stock Connect System.

(II) Specifications on Controlling Shareholder and Ultimate Controlling Person

1. Specifications on controlling shareholder

The controlling shareholder of the Company is China Metallurgical Group Corporation, whose registered office is MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing and the legal representative is Guo Wenqing. As at the date of the issue of this announcement, the registered capital is RMB8,538,555,870.73.

MCC Group, whose predecessor is China Metallurgical Construction Corporation (中國冶金建設公司), is a large state-owned enterprise under the supervision of the SASAC. In 1994, upon the approval of the former State Economic and Trade Commission, China Metallurgical Construction Corporation was renamed as China Metallurgical Construction Group Corporation (中國冶金建設集團公司), based on which MCC Group was set up. On 12 March 2006, the SASAC approved China Metallurgical Construction Group Corporation to be renamed as China Metallurgical Group Corporation. On 27 April 2009, upon the approval of the SASAC, MCC Group was transformed into a wholly state-owned company – China Metallurgical Group Corporation (中國冶金科工集團有限公司). Following the incorporation of the Company, MCC Group, as the controlling shareholder of the Company, mainly functions as a Shareholder of the Company, and disposes of and liquidates its retained assets.

2. Specifications on ultimate controlling person

The State-owned Assets Supervision and Administration Commission of the State Council is the ultimate controlling person of the Company.

3. Changes in controlling shareholder and ultimate controlling person

During the Reporting Period, the controlling shareholder and the ultimate controlling person of the Company remained unchanged.

(III) Other Corporate Shareholders Holding More Than 10% of the Company's Shares

As at the end of the Reporting Period, except for HKSCC Nominees Limited, there were no other corporate Shareholders holding more than 10% of the Company's shares.

(IV) *Substantial Shareholders' and Other Persons' Interests and Short Positions of the Shareholdings in Shares and Underlying Shares*

As at 30 June 2015, the Company had been informed by the following persons that they had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Holders of A Shares

Name of substantial Shareholder	Capacity	Number of A Shares	Nature of Interest	Approximate percentage of total issued A Shares (%)	Approximate percentage of total issued Shares (%)
China Metallurgical Group Corporation	Beneficial Owner	12,265,108,500	Long position	75.53	64.18

Holders of H Shares

Name of substantial Shareholder	Capacity	Number of A Shares	Nature of Interest	Approximate percentage of total issued H Shares (%)	Approximate percentage of total issued Shares (%)
BlackRock, Inc.[1]	Interest of a controlled corporation	150,766,331	Long position	5.25	0.79

Note 1: BlackRock, Inc. holds 150,766,331 H shares (long position) through several controlled entities. In addition, 3,385,000 H shares (long position) are related to derivative instruments and classified as non-listed derivative instruments – settlement in cash.

Save as disclosed above, to the knowledge of the Directors, Supervisors and chief executives of the Company, as at 30 June 2015, no other person or corporation was recorded in the register required to be kept under section 336 of the SFO as having an interest or short position in the Company's share capital that would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

XI. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

XII. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board reviewed the corporate governance documents of the Company and was of the opinion that the Company had complied with the provisions of the Corporate Governance Code during the Reporting Period.

XIII. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES DEALINGS BY DIRECTORS

The Company has adopted the Model Code as the code governing the dealings in the Company's securities by Directors and Supervisors. Having made specific enquiries with all the Directors and Supervisors, the Company confirmed that all Directors and Supervisors fully complied with the model code and requirements set out thereof during the Reporting Period.

XIV. SUBSEQUENT EVENTS

As at the date of the announcement, there was no occurrence of events that had a significant impact on the Company's operation, financial or trading prospects.

XV. REVIEW WORK OF INTERIM RESULTS AND INTERIM FINANCIAL INFORMATION

The Finance and Audit Committee has reviewed the unaudited interim results of the Company for the six months ended 30 June 2015. The committee was of the opinion that the unaudited interim results for the six months ended 30 June 2015 were in compliance with the applicable accounting principles as well as laws and regulations and has been properly disclosed.

Consolidated and the Company's balance sheets, consolidated and the Company's income statements, consolidated and the Company's cash flow statements, consolidated statement of changes in equity, the Company's statement of changes in equity of shareholders and notes to the financial statements as presented in this announcement were extracted from consolidated and the Company's interim financial information of the Company for the six months ended 30 June 2015 which have been reviewed by the auditor of the Company, Deloitte Touche Tohmatsu CPA LLP, in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements, issued by the Ministry of Finance.

XVI. PUBLICATION OF THE INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2015 will be available on the website of the Stock Exchange (http://www.hkex.com.hk) and the Company's website (http://www.mccchina.com) on or before 4 September 2015 for inspection by the Company's Shareholders.

XVII. DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

DEFINITIONS

2014 AGM	the 2014 annual general meeting of the Company held on 26 June 2015
Articles of Association	Articles of Association of Metallurgical Corporation of China Ltd.*
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 Shanghai Stock Exchange and traded in RMB
Board	the board of Directors of the Company
China or PRC	the People's Republic of China, excluding, for purposes of this document only, Hong Kong, Macao and Taiwan
controlling shareholder	has the meaning ascribed thereto under the Hong Kong Listing Rules
CSRC	the China Securities Regulatory Commission
Director(s)	the director(s) of the Company, including all executive, non-executive and independent non-executive Directors
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 subscribed and traded in Hong Kong dollars
HK$ or Hong Kong dollars	Hong Kong dollars, the lawful currency of Hong Kong

Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Stock Exchange, Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
independent Director or independent non-executive Director	a director who is independent of the Shareholders of the Company and is not an employee of the Company, has no material business connections or professional connections with the Company or its management and is responsible for exercising independent judgment over the Company's affairs
MCC, our Company, the Company	means Metallurgical Corporation of China Ltd.*, a joint stock limited company with limited liability incorporated under the laws of the PRC on 1 December 2008 or, where the context refers to any time prior to its incorporation, the businesses which its predecessors were engaged in and which were subsequently assumed by it pursuant to the Parent reorganisation
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Hong Kong Listing Rules
connected person(s)	the connected party/parties under A Share listing requirements and the connected person(s) under the Listing Rules of H Shares
MCC Group, Parent	China Metallurgical Group Corporation
Renminbi or RMB	Renminbi, the lawful currency of the PRC
Reporting Period	from 1 January 2015 to 30 June 2015
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council
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

Shareholder(s)	holder(s) of share(s) of the Company
State Council	the State Council of the People's Republic of China
Supervisor(s)	the supervisor(s) of the Company
Supervisory Committee	the supervisory committee of Metallurgical Corporation of China Ltd.*
Corporate Governance Code	the revised Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules with effect from 1 April 2012

TECHNICAL TERMS

BT	Build-Transfer, a business model in which the contractor undertakes the financing of construction expenditures and transfers the project back to the proprietor upon completion and inspection for acceptance and the proprietor will pay the contractor for such construction expenditures, financing costs and return on project in installments pursuant to relevant agreements
Exploration	activity to prove the location, volume and quality of a mineral occurrence
Design	application of engineering theories and techno-economic approaches, based on the prevailing technical standards, for conducting all-round design (including requisite non-standardised equipment design) and techno-economic analysis on newly constructed, expansion and reconstruction projects in respect of their technical process, land construction, civil works and environmental works; provision of design papers and blueprints as the basis for construction work

steel structure	a structure composed of various steel materials connected with each other through welding or bolted joints, which is widely used in industry, civil construction, railways, highways, bridges, power station structural frames, power transmission tower structures, television broadcasting towers, offshore oil platforms, gas pipes, urban infrastructure, national defense construction, and other areas
Smelting	a pyro-metallurgical process of separating metal by fusion from those impurities with which it is chemically combined or physically mixed in ores

By order of the Board
Metallurgical Corporation of China Ltd.*
Lin Xiaohui
Company Secretary

Beijing, the PRC
25 August 2015

As at the date of this announcement, the Board of the Company comprises two executive Directors, Mr. Guo Wenqing and Mr. Zhang Zhaoxiang; two non-executive Directors, Mr. Jing Tianliang and Mr. Lin Jinzhen; and three independent non-executive Directors, Mr. Yu Hailong, Mr. Ren Xudong and Mr. Chan Ka Keung Peter.

* *For identification purpose only*