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METALLURGICAL CORPORATION OF CHINA LTD. *

中國冶金科工股份有限公司

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

(Stock Code: 1618)

2024 ANNUAL RESULTS ANNOUNCEMENT

SUMMARY

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

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

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

I. CHAIRMAN'S STATEMENT

Dear Shareholders,

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

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

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

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

Looking back at 2024, we promoted reform and innovation while facing challenges. We have used deepening reform as an opportunity to push forward high-quality actions to deepen and elevate reform, streamline and optimize the institutional system, improve decision-making mechanisms and processes, promote institutional “slimming and strengthening”, complete regional company integration, and strive to build a “four simple” enterprise with “simple systems, simple processes, simple relationships, and simple work styles”. We paved our road by innovation, highlighting the “five focuses”, and have been approved by the SASAC as the “origin of original technology for pollution control in the metallurgical industry (冶金工業污染治理原創技術策源地)”. The world’s first high-voltage, high-power molten salt energy storage induction heating device, independently developed, has been successfully put into operation. The self-designed 5,600mm widest heavy plate rolling mill in the world and the self-developed world’s first carbon thermal reduction flue gas sulfur production pilot line have been successfully tested, and we have won 3 national science and technology awards. The total number of valid patents has exceeded 55,000, and we have achieved excellent results as a “science and technology reform enterprise” and a “dual hundred enterprise”. 6 enterprises have been named national champions in the manufacturing industry, and 10 “specialized, refined, and new” “little giant” enterprises have been established.

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

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

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

Chairman: Chen Jianguang

II. BUSINESS OVERVIEW

(I) The Operation Result Discussion and Analysis

In 2024, the Company insisted on the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China, the 2nd and 3rd Plenary Sessions of the 20th CPC Central Committee, earnestly implemented the deployment requirements of the SASAC and the higher authorities, adhered to the general keynote of seeking progress in a stable manner, focused on high-quality development, endeavored to enhance its core functions and improve its core competitiveness, strove to develop market to grasp the opportunities, deeply implemented refined management to enhance efficiency, highlighted technological innovation to lead the empowerment, made all efforts to resolve risks and keep the bottom line, and took the initiative to plan for the restructuring and upgrading of the enterprise, laying a solid foundation for the successful conclusion of the 14th Five-Year Plan and the smooth start of the 15th Five-Year Plan.

1. Insisting on observance of integrity and innovation, seeking progress amidst stability, and solidly consolidating the foundation of the enterprise's high-quality development

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

2. *Continuous optimization and adjustment of business structure, and steady progress in the pace of restructuring and upgrading*

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

3. *Steady improvement in project management standards and solid progress in high-quality contract fulfillment*

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

4. *Gradual enhancement of scientific and technological innovation support and effective stimulation of reform and development vitality*

The Company insisted on taking scientific and technological innovation as the core driving force to promote the high-quality development of the enterprise, continuously optimized the scientific and technological innovation system, and strengthened the empowerment of digitalized management. Focusing on the construction of scientific research platforms and improving the system and mechanism, the Company was approved to set up six provincial and ministerial-level technological innovation platforms, and the Key National Laboratory for Environmental Protection in Iron and Steel Industry of CRIBC has been actively engaged in optimisation and restructuring; and WISDRI successfully obtained the approval of the “Original Technology Source for Pollution Control of Metallurgical Industry” by the SASAC. Focusing on the transformation and industrialization of scientific and technological achievements, the world’s first high-voltage, high-power molten salt storage and inductive heating device independently researched and developed was successfully put into operation, and the world’s first charcoal-heat-reduction flue gas sulphur pilot line independently developed was successfully conducted a hot test. The cultivation of demonstration enterprises made new records, with the number of national-level manufacturing single champions increasing to six and the number of “specialized, refined, and new” “little giant” enterprises rising to 10, the construction of qualification matrix continued to achieve good results, with the number of special qualifications increasing to 49; and the overall credit rating of enterprises continued to be improved, with the number of AAA subsidiaries increasing to 7 and AA+ subsidiaries reaching 15.

5. *Steady progress in compliance system construction and continuous consolidation of risk prevention and control achievements*

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

6. *Actively practicing the concept of “investor-oriented” and fully implementing the action programme of “enhancing quality, increasing efficiency and focusing on returns”*

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

(II) The Business Situation of the Company during the Reporting Period

1. Engineering Contracting

(1) Metallurgical construction

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

(2) *Housing and municipal infrastructure construction*

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

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

2. *Featured Business*

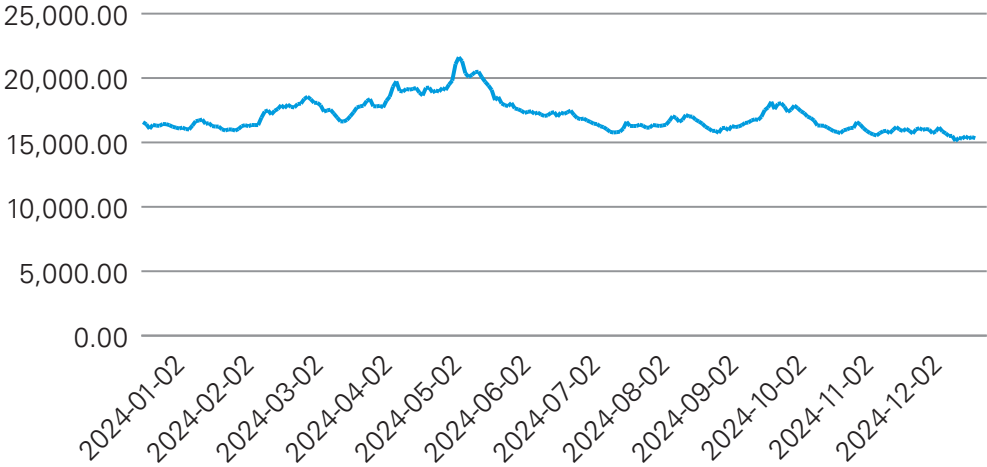
In 2024, the MIIT and other seven departments jointly issued implementation opinions, focusing on six major directions of future manufacturing, future information, future materials, future energy, future space and future health, and systematically laying out technological research and industrialization.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

(1) Mineral resources and new materials business

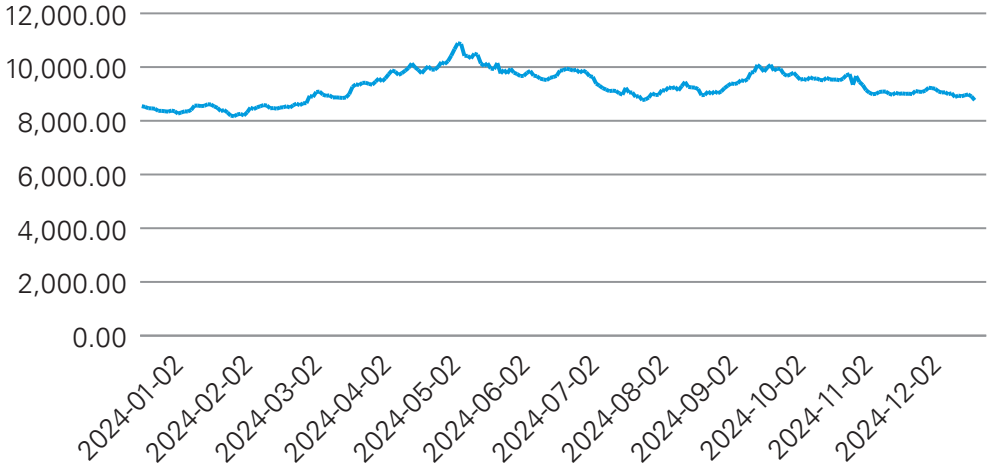
In 2024, the global mining industry still confronted with severe challenges. Under the unprecedented changes in a century in the world, geopolitical and other major risks overlapped with each other, the trend of “reverse globalization” and the ideology of resource nationalism were on the rise, the security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

9.2%, an increase of 6.1% and a decrease of 1.6%, respectively, as compared with 2023, with the specific price trends as shown in the chart below:

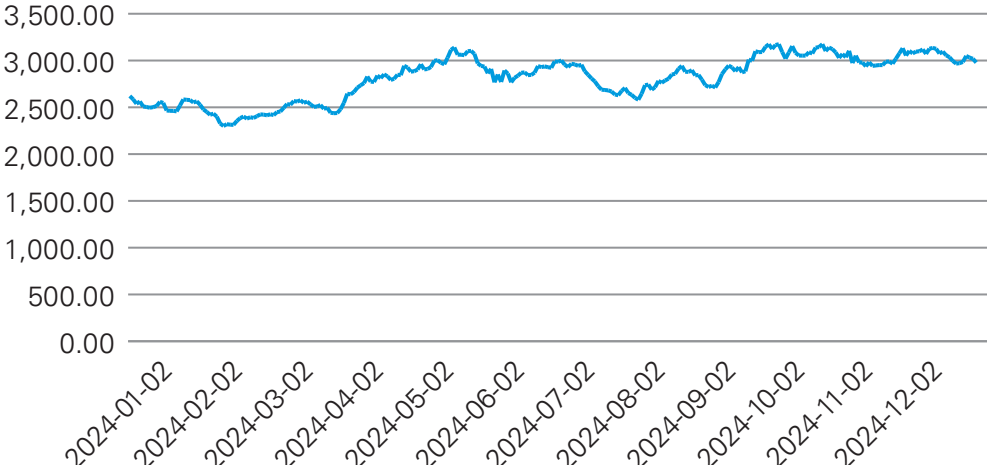
Price trend of nickel on the LME (USD/ton)



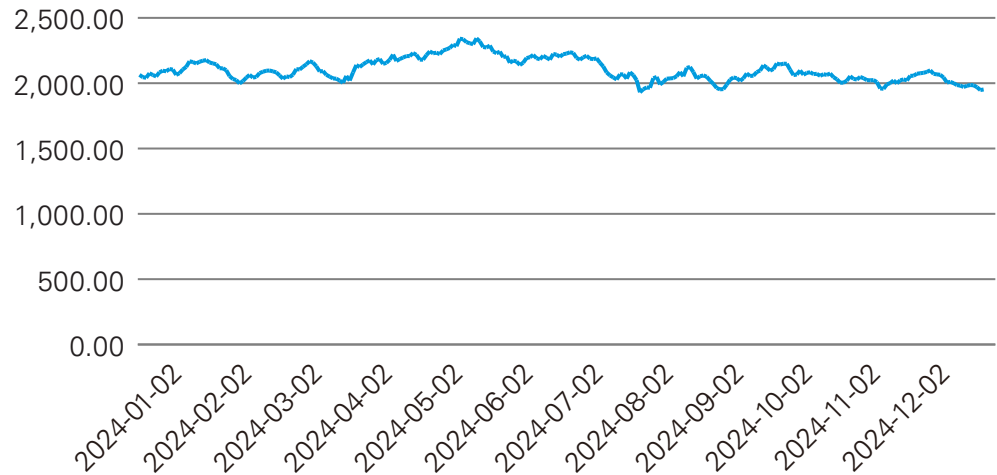
Price trend of copper on the LME (USD/ton)



Price trend of zinc on the LME (USD/ton)



Price trend of lead on the LME (USD/ton)



Source: 10jqka.com.cn

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

(2) *Engineering services*

Benefiting from the acceleration of national infrastructure construction, the progress of urbanization and the expansion of the scale of fixed asset investment, the market demand for comprehensive, cross-phase and integrated engineering services was growing, and the service area extended from the traditional infrastructure to the emerging fields such as intelligent manufacturing, green and low-carbon, etc., which boosted the development of the architectural and engineering service industry. With the application of advanced technologies such as big data, cloud computing, artificial intelligence, etc., the service efficiency and quality of the engineering services industry have been further improved, and the cost and risk have been significantly reduced. For example, through the introduction of BIM technology, the whole process of integrated application of building information modeling has been realized, and the level of informatization and

intelligence in project management has been improved, which has brought the industry a new business model and service mode, and realized cross-border integration and innovative development. Under the continuous promotion of national strategies such as “dual-carbon” target, digital transformation and high-quality development, the whole industry is expected to have more development opportunities.

(3) High-end equipment

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

(4) Energy and environmental protection

The energy and environmental protection industry is gradually transitioning from a fast-expanding engineering investment and construction mode to a stable operation mode. Against the backdrop of comprehensive green transformation of China’s economy and society, the long-term positive fundamentals of the energy and environmental protection industry will not change. Meanwhile, under the background of the “dual-carbon” strategy, the low-carbon development of industries has become

an inevitable trend, with the gradual establishment of a new industrial system characterized by low energy consumption and low pollution, and strong market demand for clean energy construction, with the accelerated construction of wind power, photovoltaic power generation and energy storage projects. In addition, the continuous and in-depth implementation of the strategy of common prosperity and rural revitalization has spurred significant development in rural production and living conditions, and infrastructure of agricultural industrial parks, presenting vast market prospects. According to the forecast of the Prospect Industry Research Institute, during the period of 2024–2029, the compound annual growth rate of operating revenue on China’s ecological and environmental protection industry will reach 10%, and by the end of 2029, the scale of operating revenue is expected to exceed RMB4 trillion, and the ecological and environmental protection industry will be mainly oriented towards the water conservancy and utilities, ecological urban construction, comprehensive river basin management, soil restoration, urban sewage, sludge treatment, solid waste disposal and other fields.

3. Comprehensive Real Estate

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

(III) Information on the Company’s Business during the Reporting Period

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

1. Engineering Contracting

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

Overall operating results of the engineering contracting business in 2024

Unit: RMB’000

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

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

(1) Metallurgical construction business

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

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

Unit: RMB'000

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

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

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

No.	Name of Project (Contract)	Contractual Amount (RMB100 million)
Domestic projects		
1	General Contracting Agreement for Green Low Carbon Hydrogen Metallurgy Project of Shanxi Jingang Smart Technology Industrial Co., Ltd. (山西晉鋼智造科技實業有限公司綠色低碳氫冶金項目總承包協議)	22.0
2	EPC Contract for 2 Million Tons/Year Circular Economy Comprehensive Utilization Coal Coking Project in Shuicheng District of Guizhou Energy (貴州能源水城200萬噸/年循環經濟綜合利用煤焦化項目EPC總承包工程合同)	21.1
3	EPC General Contract for Low-carbon, Green and Intelligent Upgrading Project of Blast Furnaces of Fushun New Steel Co., Ltd. (撫順新鋼鐵有限責任公司高爐低碳綠色智能化升級改造項目EPC總承包合同)	15.8
4	Fujian Qingtuo Stainless Steel Medium and Thick Plate Project (福建青拓不銹鋼中厚板項目)	13.3
5	Contract for Main Body Engineering of CSP Renovation at Carbon Thin Plant of Jiuquan Iron & Steel in Jiayuguan City (嘉峪關市酒鋼碳薄廠CSP改造主體工程合同)	13.1

No.	Name of Project (Contract)	Contractual Amount (RMB100 million)
6	Sintering Flue Gas Treatment Efficiency Improvement Project of Tangshan Wenfeng Special Steel Co., Ltd.* (唐山文豐特鋼有限公司燒結煙氣處理提效改造項目)	12.0
7	Equipment Procurement and Construction Contract for 2 Million Tons Coking Project of Junping Coking of Yellow River Group in Wuhai City (烏海市黃河集團駿平焦化200萬噸焦化工程設備採購及施工合同)	12.0
8	EPC Project for Phase II Step-One Angang Electronmagnetic New Materials (安鋼電磁新材料二期一步工程(EPC)項目)	12.0
Overseas projects		
1	Engineering Procurement, Construction, Installation, Testing and Commission (EPCC) for 2×1.2 MTPA Smelter Grade Alumina Refinery Works on Turnkey Basis (印尼PT.GREEN INDONESIA ALUMINA公司年產2×120萬噸冶金級氧化鋁廠EPC工程總承包項目)	40.7
2	Green Energy Roof Panel and Electric Vehicle Panel Cold Rolling Project in Jizzakh Region, Uzbekistan (烏茲別克斯坦吉紮克州綠色能源屋面板及電動汽車板冷軋項目)	8.3
3	Blue Flame Energy Co., Ltd. Annual Production Capacity of 67,000 Tons of Nickel-Equivalent Wet Smelting Construction Project Supporting 2×1 Million Tons of Sulphur Acid Production Equipment (藍焰能源有限公司年產6.7萬噸鎳當量濕法治煉建設項目配套2×100萬噸硫磺制酸裝置)	5.9
4	OBI Nickel Iron Project RKEF Phase II (Section II) (OBI鎳鐵項目RKEF二期工程(二標段))	<u>5.2</u>

(2) *Housing and municipal infrastructure engineering business*

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

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

Unit: RMB'000

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

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

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

No.	Name of Project (Contract)	Contractual Amount (RMB100 million)
Domestic projects		
1	General Contracting Project for the Development of Chengdong Area of Yongqiao District, Suzhou City (宿州市埇橋區城東片區開發項目一包)	59.7
2	Zhengzhou Digital District (CDD) Construction EPC Project (鄭州中央數字區(CDD)建設項目EPC工程)	58.7
3	EPC General Contract for Advanced Electromechanical Equipment and Logistics Industrial Park Project (Phase I) in Chongqing Hub Port Industrial Park (重慶樞紐港產業園先進機電裝備和物流產業園項目(一期)EPC工程總承包合同)	42.3
4	EPC General Contract Project for Lot 3 of Computility Industrial Park in Zhengdong New District (鄭東新區算力產業園三號地塊EPC總承包項目)	35.5
5	EPC Contract for Zhongyuan High Speed Railway Port Digital Trade and Exhibition City Project in Zhengzhou City (鄭州市中原高鐵港數字展貿城項目工程總承包(EPC)合同)	33.5
6	Urban Renewal and Construction Project in Wujiagang District, Yichang City (宜昌市伍家崗區城市更新建設)	31.4
7	General Contracting for Survey, Design, and Construction of the Comprehensive Renovation Project of the Old Village of Lingtou Company (Reconstruction and Resettlement Area Construction) (嶺頭公司舊村全面改造項目(復建安置區建設)勘察設計施工總承包)	26.7

No.	Name of Project (Contract)	Contractual Amount (RMB100 million)
8	EPC (Production and Processing Portion) Contract for Section II of General Contracting for Design, Construction, Equipment Procurement for 300,000 tonnes per annum of Calcium Carbonate Series Products Project in Panzhou, Liupanshui City, Guizhou Province (貴州省六盤水市盤州市年產30萬噸碳酸鈣系列產品項目設計、施工、設備採購總承包二標(EPC)總承包(生產加工部分)合同)	24.4
9	Shenyang International Smart Health City Project (瀋陽國際智慧健康城項目)	24.2
10	Construction Contract for Zigong to Luzhou Port Highway Engineering Phase II Project (自貢至瀘州港公路工程二期項目施工合同)	23.9
11	EPC Contract for LNG Long-distance Pipeline Project (Penglai-Qixia Expressway-7# Valve Chest) in West Port of Yantai Port (煙台港西港區LNG長輸管道工程蓬棲高速-7#閥室工程總承包(EPC)合同)	22.8
12	EPC Contract for the Design and Construction of the Industrialization Project of Distributed Intelligent Energy Storage and Exchange System in Xiangxi Tujia and Miao Autonomous Prefecture (湘西土家族苗族自治州分佈式智能儲能交換系統產業化項目設計施工總承包(EPC)合同)	22.4
13	Construction Contract of No. 55 Plot Project in Shijiazhuang High-Speed Rail Area (石家莊市高鐵片區55號地塊項目工程施工)	17.9
14	Engineering General Contracting (EPC) for the Construction Project (Phase I) of Science and Technology New Energy Industrial Park in Zhengzhou Airport Economic Comprehensive Experimental Zone (鄭州航空港經濟綜合實驗區科創新能源產業園建設項目(一期)工程總承包(EPC))	16.6
15	Civil Construction Contract Section 22 (Hebei Section) of Beijing Rail Transit Line 22 (Pinggu Line) Project (北京軌道交通22號線(平谷線)工程土建施工22合同段(河北段))	15.3
16	General Engineering Contract for Jingdong Shenzhen Headquarters Building (京東深圳總部大廈施工總承包工程合同)	14.8
17	EPC General Contract for Municipal Infrastructure Construction Project of Panlong River Industrial New City (Tiexi Area) in Zaozhuang City (棗莊市蟠龍河產業新城(鐵西片區)市政基礎設施建設項目EPC總承包)	13.3
18	Contract for the Long-distance Heating Pipeline Network Project from Shahe Power Plant to Xianghe Street (沙河電廠至祥和大街長輸供熱管網工程合同)	12.6
19	EPC Contract for LNG Long-distance Pipeline Project (Zouping Offtake Station – Qihe Offtake Station) in West Port Area of Yantai Port (煙台港西港區LNG長輸管道工程鄒平分輸站-齊河分輸站工程總承包(EPC))	11.9
20	Construction General Contracting for 10GW per annum of Shandong Ruitai Zhichuang High-Efficiency New Cell Project (山東瑞泰智創年產10GW高效新型電池片項目施工總承包)	11.9

No.	Name of Project (Contract)	Contractual Amount (RMB100 million)
21	EPC Project for the Construction of Nanoscale Silicon Carbon Negative Electrode Material Industrial Park and Supporting Facilities of Anhui Bangderui New Material Technology Co., Ltd. in Huaining Economic Development Zone of Anqing City (安慶市懷寧經開區安徽邦德銳新材料科技有限公司納米級硅碳負極材料產業園及配套設施建設EPC項目)	10.8
22	Construction Contract for TJ03 Section of Hangzhou Bolu to Renhe Section (Yuhang Section) of National Highway 320 (320國道杭州博陸至仁和段工程(餘杭段)第TJ03標段施工項目)	10.4
23	Contract for G212 Zhaozhua Urban Bypass Highway Project (including Hanjiaya Tunnel) (G212昭化城區過境公路(含韓家壩隧道)合同)	10.3
24	Engineering General Contracting for the Reserved Small Garage for Development of Cover Plate in Yanjiao Vehicle Base of Beijing Metro Line 22 (北京軌道交通22號線燕郊車輛基地蓋板開發預留小車庫項目施工總承包工程)	10.0
25	AB Area Project of Lingbi Bearing Industry Base in Suzhou City (宿州市靈璧軸承產業基地AB區項目)	10.0
26	Construction Project the Three Five One Five Shoe Manufacturing Supply Chain Industrial Park in Zhaoling District, Luohe City (漯河市召陵區三五五制鞋供應鏈產業園建設項目)	10.0
Overseas projects		
1	Sentosa Coastal Area Hotel Expansion Project in Singapore (新加坡聖淘沙濱海區域酒店擴建項目)	109.0
2	Contract for Steel Structure Supply and Installation Subcontracted Work of CEER Electric Vehicle Manufacturing Plant Project in Saudi Arabia (沙特CEER電動汽車製造廠項目鋼結構供貨與安裝分包工程合同)	21.2
3	Indonesia Tangerang 1800tpd Municipal Solid Waste Incineration Power Generation Project (印尼唐格朗1800tpd生活垃圾焚燒發電項目)	15.5
4	Anderson Road Quarry Site Development Project (安達臣道石礦場用地發展項目)	7.4
5	Renovation and Expansion Project of the Ndaye International Airport in Burundi (Aid Project)(援布隆迪恩達達耶國際機場改擴建項目)	3.3
6	Desulfurization and Denitrification Project for the Power Generation Facility of Indonesia Tsingshan Stainless Steel Co., Ltd. (印尼青山不銹鋼有限公司發電項目脫硫脫硝工程)	3.1

2. *Featured Business*

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

Overall operating results of the featured business in 2024

Unit: RMB'000

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

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

(1) Mineral resources and new materials business

The mineral resources and new materials business is the Company's important and featured business, primarily including mine development, as well as production, processing, and research and development of new materials. The Company's mineral resource business mainly centers on the exploration, mining, ore processing and smelting etc. for nickel, cobalt, copper, lead, zinc and other metal mineral resources, and most of the products produced, such as nickel and cobalt hydroxide, crude copper, zinc concentrates, lead concentrates, and so on, are transported back to China for sale to the downstream refining and processing customers in a stable manner. The Company's new material products mainly include silicon-based materials, scandium alum, refractory materials, semiconductor materials, welding materials, and new building materials, of which new silicon-based materials are one of the strategically emerging businesses that the Company focuses on cultivating and deploying. The Company's subsidiary Sinosico makes "bottleneck" technology breakthroughs in line with national strategic needs, and has developed over 20 new high-end silicon-based material products, which have

been successfully applied in integrated circuit and optical communication enterprises. These products not only achieve import substitution but are also exported to overseas countries and regions, establishing the Company as a highly competitive and influential electronic information material production enterprise both domestically and internationally.

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

- ① Papua New Guinea Ramu Nico Mine Project: At the end of the Reporting Period, benefiting from the exploration and prospecting achievements within the mining rights area, the estimated retained nickel resources of the project further increased to 1.842 million tons, and cobalt resources increased to 209,000 tons. During the Reporting Period, due to the impact of technical renovation and maintenance within the annual plan and the major equipment overhaul in the third quarter, the production rate and output decreased year-on-year. The cumulative production of nickel-cobalt hydroxide contained 28,669 tons of nickel and 2,625 tons of cobalt, while the sales of nickel-cobalt hydroxide contained 30,523 tons of nickel and 2,793 tons of cobalt. The project achieved an operating revenue of RMB2.97 billion and a total profit attributable to the Chinese party of RMB460 million.
- ② Pakistan Saindak Copper-Gold Mine Project: At the end of the Reporting Period, the estimated retained copper resources of the project amounted to 1.809 million tons. During the Reporting Period, the mining and beneficiation operations maintained stable and exceeded production targets, with an average production rate of 124.6%. The smelting process produced 23,865 tons of blister copper, achieving an average production rate of 119.3%. A total of 22,760 tons of blister copper were sold, marking a historic high in annual production and sales volume for the project. The project achieved an operating revenue of RMB1.74 billion and a total profit attributable to the Chinese party of RMB203 million.

- ③ Pakistan Duddar Lead-Zinc Mine Project: At the end of the Reporting Period, the estimated retained lead resources of the project amounted to 321,100 tons, and zinc resources totaled 642,900 tons. The progress and interim results of the supplementary exploration in the northern part of the mining area met expectations, and it is anticipated that the lead and zinc resources will double by 2025. During the Reporting Period, the project accomplished 513,000 tons of mine output, with an average production rate of 102.6%. The project cumulatively produced lead concentrates containing 8,359 tons of lead and zinc concentrates containing 40,941 tons of zinc. The project sold lead concentrates containing 8,404 tons of lead and zinc concentrates containing 42,641 tons of zinc, achieving operating revenue of RMB760 million and total profit attributable to the Chinese party of RMB250 million.
- ④ Pakistan Saindak Copper Mine Project: During the Reporting Period, the exploration team of the project continued to advance various preliminary development works. Currently, all relevant approval procedures in Pakistan have been applied for and are mostly approved. The prospects for increasing reserves and production are promising. The Company will continue to carry out scientific research, development planning, and exploration activities for the Saindak Copper Mine Project.
- ⑤ Afghanistan Aynak Copper Mine Project: During the Reporting Period, the project conducted supplementary exploration in the western mining area (Phase II), upgrading the resources in the western mining area to the exploration level, and adding 1.28 million tons of copper resources, thereby increasing the total resources of the project to 12.36 million tons. The Company is maintaining close communication with the Afghan interim government and plans to expedite the completion of preliminary preparations, including the demonstration of the project feasibility study, and the construction of access roads to the mining site. These efforts aim to create favorable conditions, improve the investment outcomes of the project, and ensure substantive progress in collaboration with the Afghan interim government as soon as possible.

- ⑥ Sinosico New Silicon-based Materials Project: Sinosico, the subsidiary of the Company, primarily engages in the production, research and development, and sales of high-purity polysilicon, high-purity silicon tetrachloride, electronic gases, and other silicon-based materials, while also providing technical services. As an outstanding innovative enterprise in China's electronic information industry and a high-tech enterprise, Sinosico has established a National Engineering Research Center for Silicon-Based Material Preparation Technology, a National Energy Metal Resources and New Materials Key Laboratory, two provincial-level R&D platforms, and a postdoctoral research workstation. Sinosico has undertaken 26 key projects, including those under the National 863 Program, the Science and Technology Support Program, the Key Industrial Revitalization and Technological Transformation Initiative, the Industrial Base Enhancement Project, the Industrial Base Reconstruction Initiative, and the High-Quality Development of Manufacturing Special Project. Numerous achievements have filled domestic gaps, resulting in 265 authorized patents. Additionally, Sinosico has led the formulation of 73 international, national, and industry standards. By leveraging its proprietary intellectual property, Sinosico has broken through foreign technological blockades and market monopolies, driving the development of the new energy industry and enabling China's polysilicon sector to grow from scratch and dominate the global market. During the Reporting Period, Sinosico sold a cumulative total of 281.93 tons of electronic-grade polysilicon for melting/pulling, 9,031.75 tons of silicon tetrachloride for optical communications, 877.32 tons of silicon-based electronic specialty gases, and 59.77 tons of silicon carbide, achieving an operating revenue of RMB230.7543 million.

(2) *Engineering services business*

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

(3) *High-end equipment business*

With the high-end equipment business as the "solidified stabilizer" of the national team for metallurgical construction, the business of the Company mainly includes the manufacturing of specialized metallurgical equipment and non-metallurgical equipment (including general and specialized equipment); industrial steel structures, civil building and infrastructure steel structures, residential industrialization, prefabricated component manufacturing (mainly including metallurgical equipment core manufacturing and assembly integration, and manufacturing

business of components for ultra-high-rise, municipal, bridges, marine and other high-end steel structures, complex industrial steel structure, residential industrialization, prefabricated housing, etc.). The main products include steel structures, metal processing machinery, materials handling equipment, metallurgical equipment, and construction equipment. The Company's core equipment business focuses on metallurgical equipment, and operates in multiple core manufacturing bases including CISDI Equipment Base, MCC-SFRE Equipment Base, CIE Heavy Industry Base, and WISDRI Equipment Base, with products covering key process equipment of metallurgy such as sintering and pelletizing, iron-making and steelmaking, casting and rolling. Company's "MCC Heavy Machinery" provides professional metallurgical large logistics equipment for the metallurgical market, and has formed a metallurgical large logistics equipment cluster represented by pot carriers, environmentally-friendly welded slag cars, charging cranes and other special equipment, of which pot carriers have a domestic market share of 80%. The brand reputation of "MCC Casting Mould" under the Company continues to grow. Its independently developed ingot moulds and castings, hot extrusion moulds, isothermal forging moulds, and forging press moulds are widely used in domestic metallurgical equipment, aerospace, transportation, oil exploration, nuclear power industry, and weaponry sectors. Among these, the isothermal forging moulds have been recognized as "China's Most Competitive Product in the Metallurgical Industry". The Company is in the international leading and domestic first-class level in the field of R&D and manufacturing of metallurgical industrial furnaces, providing important support for the localisation of complete sets of equipment for metallurgical industrial furnaces. The Company's production scale of blast furnace carbon bricks ranks first in the world. The entire production process employs information-based management, ensuring uniform and stable product quality. The performance indicators of the products meet or exceed those of comparable imported products. The Company is in a leading position in the domestic market in terms of comprehensive steel structure technology, with the advantage of integrating the whole industrial chain, including R&D, design, manufacturing, installation, inspection and supervision, and its steel structure products are exported to more than 30 countries and regions. The Company has successfully developed the sub-brand of "MCC Steel Structures", which enjoys recognition both at home and abroad.

(4) *Energy and environmental protection business*

Relying on the brand advantage of “MCC” and the leading professional and technical advantages of the professional technology research institute, the Company kept focusing on the favorable opportunities for green and low-carbon development, continued to develop the field of energy and environmental protection, and built up an environmental full industry chain including planning and consulting, R&D and design, investment and development, equipment manufacturing, engineering and construction, operation and management, investment and financing services, etc., with its scope of business covering sewage treatment, channel improvement, waste incineration, clean energy, soil treatment, mine rehabilitation, ecological city, beautiful countryside, seawater desalination and other construction engineering business (including wind, solar and electrical energy storage, eco-environmental restoration, air pollution prevention and control, industrial energy saving, waste disposal, resource utilization of industrial wastewater and waste liquid, water environment treatment, etc.). “MCC Ecological Environmental Protection”, the Company’s water and environmental protection business platform, serves as a “National High-Tech Enterprise” and a “Beijing Enterprise Technology Center”. It currently operates 57 water plants with a total design capacity exceeding 3.5 million tons per day, spread across nine provinces and cities including Beijing, Shandong, Jiangsu, Anhui, Hubei, Henan, Hebei, Fujian, and Gansu, with the scale of water treatment ranked among the top of construction central enterprises. The Company possesses several national-level research platforms including the National Engineering Research Center of Industrial Environmental Protection, the National Key Laboratory of Environmental Protection in the Steel Industry, and the National Environmental Protection Engineering Technology Center for Pollution Prevention and Control in the Steel Industry, and has mastered a variety of core technologies and equipment in environmental protection areas covering the entire process of steel production, such as water conservation, sewage treatment, and wastewater recycling in the steel industry, flue gas dust removal and purification, gas recovery and utilization, steel slag treatment and resource utilization, energy conservation, and utilization of low-quality heat sources. The related technological achievements and business models have been successfully applied to over a hundred projects, including Baosteel Zhanjiang Iron and Steel (寶鋼湛江鋼鐵) and Formosa Plastics Steel Plant in Vietnam (越南台塑鋼廠), setting an exemplary model for promoting the

development and upgrading of China’s environmental protection industry. In recent years, leveraging its traditional business strengths, the Company has actively expanded into new energy sectors such as “Photovoltaic +” and “Energy Storage +”. Its initiatives cover production-side wind and solar power generation and hydrogen production plants, storage-side underground distributed hydrogen storage and rock cavern hydrogen storage, transportation-side natural gas blending with hydrogen and high-pressure pure hydrogen delivery, as well as consumption-side hydrogen refueling stations, hydrogen-based chemical production, and hydrogen-power grid coupling for peak shaving. During the Reporting Period, the Daye Deep Rock Cavern Hydrogen Storage Project, invested in and constructed by the Company’s subsidiary WSGRI, commenced construction, marking China’s first practical application of rock cavern hydrogen storage technology.

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

Unit: RMB’000

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

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

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

3. *Comprehensive Real Estate*

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

Overall operating results of the comprehensive real estate business in 2024

Unit: RMB'000

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

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

(IV) Analysing on Core Competitiveness during the Reporting Period

1. *Sustained Technological Research and Innovation-driven Capabilities*

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

2. Distinctive Integrated Service Capabilities of the Whole Industrial Chain

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

3. Dominant Leading Edge in Providing Overall Solutions for Metallurgical Construction and Operation

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

4. Strengthened Business Structure of “One Core and Multiple Related Businesses” for Better Anti-risk Capability

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

5. *Soft Power of Inherited and Evolving Corporate Culture*

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

III. FINANCIAL HIGHLIGHTS

(I) Summary

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

- Operating revenue amounted to RMB552,025 million, representing a decrease of RMB81,845 million or 12.91% from RMB633,870 million in 2023.
- Net profit amounted to RMB7,904 million, representing a decrease of RMB3,502 million or 30.70% from RMB11,406 million in 2023.
- Net profit attributable to Shareholders of the listed Company amounted to RMB6,746 million, representing a decrease of RMB1,924 million or 22.20% from RMB8,670 million in 2023.
- Basic earnings per Share amounted to RMB0.24, and the basic earnings per Share in 2023 amounted to RMB0.33.

- As at 31 December 2024, total assets amounted to RMB808,016 million, representing an increase of RMB146,414 million or 22.13% from RMB661,602 million as at 31 December 2023.
- As at 31 December 2024, Shareholders' equity amounted to RMB182,336 million, representing an increase of RMB14,345 million or 8.54% from RMB167,991 million as at 31 December 2023.
- Value of newly signed contracts amounted to RMB1,248,706 million, representing a decrease of RMB176,073 million or 12.36% from RMB1,424,779 million in 2023.

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

(II) Operating Revenue from Principal Business Segments

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

(1) Engineering Contracting Business

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

(2) Featured Segment Business

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

(3) Comprehensive Real Estate Business

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

(4) Other Businesses

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

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

(III) Major Financial Data by Quarter in 2024

Unit: RMB'000

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

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

Applicable Not applicable

IV. POSSIBLE RISKS AND MEASURES ADOPTED BY THE COMPANY

1. Risks associated with macro-economy

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

economic recovery and improvement require overcoming several difficulties and challenges, mainly due to an increasingly complex, severe, and uncertain international environment, ongoing adjustments and transformations within the domestic economy, and the continuous efforts needed to expand domestic demand and mitigate risk.

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

2. Risks associated with the traditional metallurgical engineering business segment

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

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

3. Risks associated with the non-metallurgical engineering segment

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

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

4. Risks associated with the property development business segment

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

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

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

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

5. Risks associated with financial segment

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

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

6. Risks associated with bulk commodity prices

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

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

7. Risks associated with international operations

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

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

8. Environmental and safety production risks

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

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

9. Risks associated with data fraud or theft

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

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

10. Cyber risk and security

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

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

(I) Landscape and trend of the industry

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

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

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

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

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

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

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

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

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

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

In respect of engineering services, the Company continuously strengthens the brand influence of its certification services for steel products, serving its main business while developing dual carbon certification services. It aims to continuously break through export certifications, enrich service certification qualifications, and expand its portfolio. Efforts are being made by the Company to address shortcomings in qualification capabilities and enhance technical service capabilities, actively exploring emerging sectors like battery materials, ceramic materials, composite materials, and conducting diversified testing services across multiple fields to cultivate new

market growth points. By assembling a world-leading, nationally top-tier professional team specializing in construction steel structure welding and non-destructive testing technology, the Company aims to perfect the standard system construction within the field of building steel structures and establish a full-process consulting and management service chain.

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

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

(III) Operational plan

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

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

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

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

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

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

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

VI. MANAGEMENT DISCUSSION AND ANALYSIS

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

(I) Analysis on major operating business

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

Unit: RMB'000

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

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

Name of index	Change (%)	Main reason
Operating revenue	-12.91	Affected by external factors such as the continuous decline in demand in the iron and steel industry, sluggish growth in the construction industry and the deep adjustment in the real estate industry, coupled with the periodic factors such as the business structure adjustment brought about by the Company's transformation and upgrading, the Company's operating revenue declined.

Name of index	Change (%)	Main reason
Net profit attributable to Shareholders of the listed Company	-22.20	The Company's profit decreased in line with the reduction in operating revenue, and due to the deep adjustment in the real estate industry, the risk of debt recovery from private real estate companies further increased, and the Company made additional provisions for impairment on real estate inventory and debts from private real estate companies, resulting in a significant decline in profit.
Net cash flow generated from operating activities	33.20	The Company seized the opportunity of government debt resolution, increased efforts to recover payments, and at the same time, vigorously reduced various costs and expenses, resulting in a year-on-year increase in the net cash flow generated from operating activities.
Net cash flow generated from financing activities	856.63	Mainly due to the increase in net cash flow from financing activities to meet the Company's daily operations.

2. Analysis on revenue and costs

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

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

1) Trend of macro-economy internationally and domestically

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

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

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

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

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

- ① Impact from changes in the tax policy

The Company's operating results and financial position were influenced by changes in the State's tax policy through the impact of tax burdens of the Company and its subsidiaries. The preferential tax policy for the development of the western regions and the preferential tax policies for high-tech enterprises currently enjoyed by some of the Company's subsidiaries may undergo

some changes following the changes in the PRC's tax policies. Changes in the relevant preferential tax policies would affect the Company's financial performance.

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

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

- 4) Overseas tax policies and their changes

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

- 5) Changes in major raw materials prices

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

6) Construction subcontracting expenses

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

7) Enhancement in the quality of operational management

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

8) Uneven distribution of revenue

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

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

Unit: RMB'000

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

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

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

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

1) Explanation on Major Business by Segment

① Engineering contracting business

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

② Featured business

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

③ Comprehensive real estate business

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

2) Explanation on Major Business by Region

For the years of 2024 and 2023, the Company realized overseas operating revenue of RMB28,135,516 thousand and RMB26,352,055 thousand, respectively. The revenue was mainly derived from the engineering contracting business including the Changi East Depot of Singapore Cross Island Line, the Hoa Phat Rongju Phase II programme in Vietnam, MMP Nickel Smelting Project in Indonesia, and CEER Electric Vehicle Manufacturing Plant in Saudi Arabia, as well as from the resource development business including the Pakistan Duddar Lead-Zinc Mine Project and the Ramu Nico Laterite Mine Project in Papua New Guinea.

(3) *Table of production and sales volume analysis*

Applicable Not applicable

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

Applicable Not applicable

(5) *Table of cost analysis*

Unit: RMB'000

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

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

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

Unit: RMB'000

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

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

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

Applicable Not applicable

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

Applicable Not applicable

(8) Information of major sales customers and major suppliers

A. Information of major sales customers of the Company

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

Unit: RMB'000

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

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

Applicable Not applicable

B. Information of major suppliers of the Company

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

Unit: RMB'000

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

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

Applicable Not applicable

3. Expenses

(1) Selling expenses

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

(2) *Administrative expenses*

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

(3) *Financial expenses*

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

(4) *Research and development expenses*

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

4. *Research and development expenditure*

(1). *Table of research and development expenditure*

Unit: RMB'000

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

(2). *Table of R&D personnel*

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

Educational structure of R&D personnel

Education type	Number
PhD	444
Master	4,369
Undergraduate	7,771
Junior college	839
High school education or less	<u>57</u>

Age structure of R&D personnel

Age category	Number
Under 30 (excluding 30)	2,700
30–40 (including 30, excluding 40)	5,999
40–50 (including 40, excluding 50)	3,470
50–60 (including 50, excluding 60)	1,305
60 and above	<u>6</u>

(3). *Description*

Applicable Not applicable

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

Applicable Not applicable

5. Cash flow

The cash flows of the Company are as follows:

Unit: RMB'000

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

(1) Operating activities

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

(2) *Investing activities*

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

(3) *Financing activities*

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

(II) Analysis on assets and liabilities

1. Assets and Liabilities

Unit: RMB'000

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

(1) Analysis on the structure of assets

Cash and bank balances

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

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

Accounts receivable

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

Inventories

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

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

Contract assets

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

Intangible assets

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

(2) *Analysis on the structure of liabilities*

Long-term and short-term borrowings

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

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

Accounts payable

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

Contract liabilities

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

2. Overseas assets

(1) Asset size

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

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

Applicable Not applicable

3. *Restrictions on major assets as at the end of the Reporting Period*

Unit: RMB'000

Items	31 December 2024	Reasons
Cash and bank balances	9,368,247	Freeze/Regulated
Bills receivable	29,023	Pledge
Bills receivable	2,785,078	Endorsed or discounted
Accounts receivable	2,678,587	Pledge
Other receivables	1,962,098	Pledge
Long-term receivables	2,151,772	Pledge
Receivables at FVTOCI	311,689	Pledge
Inventories	13,740,863	Mortgage/Freeze
Investment properties	1,098,804	Mortgage/Freeze
Fixed assets	369,963	Mortgage/Freeze
Intangible assets	9,150,361	Mortgage/Pledge/Freeze
Other non-current assets	<u>6,752,090</u>	Pledge
Total	<u><u>50,398,575</u></u> /	

Amortization of intangible assets used as mortgage and pledge and pledge in 2024 amounted to RMB270,771 thousand (2023: RMB230,809 thousand).

(III) Analysis on the operational information in the industry

Analysis on the operational information in the construction industry

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

Unit: RMB'000

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

Unit: RMB'000

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

2. *Projects under construction during the Reporting Period*

Unit: RMB'000

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

Unit: RMB'000

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

3. *Major projects under construction*

Applicable Not applicable

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

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

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

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

Other descriptions

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

6. *Engineering construction qualifications of the Company*

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

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

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

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

The Company fully implements the concept of safe development, insisting on making General Secretary Xi Jinping's important expositions and instructions on production safety a "1st topic" of the Company's party committee and safety committee, resolutely unifying thoughts and actions with General Secretary Xi Jinping's important instructions and instructions. The Company continuously improves the safety management system, revises the "Detailed Rules for the Implementation of Liability Investigation and Reward and Punishment for Safety, Environmental Protection and Accidents (安全環保事故責任追究與獎懲實施細則)", establishes the "Methods for the Establishment of Safety Production Management Institutions and the Allocation of Full-time Safety Management Personnel (安全生產管理機構設置及專職安全管理人員配備管理辦法)", "Methods for the Evaluation of Safety Production Management (安全生產管理評價辦法)", and the "Detailed Rules for the Implementation of Safety and Environmental Protection Assessment (安全環保考核實施細則)", forming a standardized and results-oriented safety system with a focus on prevention and punishment. The Company's leadership conducted 56 inspections throughout the year, and the leaders of subsidiary companies conducted 4,323 inspections, actively demonstrating their leadership and setting an example. The Company continued to promote the construction of a metallurgical engineering risk database, establishing safety risk databases for raw materials, sintering, and pelletizing projects, and completing the task of establishing a safety risk database for iron production. The Company continues to play the role of "guarantor" and "leader" units, focusing on high-risk industries such as highways, hazardous chemicals, and explosives, and targeting critical process points such as special equipment, deep foundation pits, steel structures, and repairs, while covering the "surface" through regional inspections. Throughout the year, 16 "guarantor" units and 14 "leader" subsidiary companies conducted safety inspections on 846 projects in 28 provinces and

cities, eliminating 9,721 accident hazards. A special campaign to prevent falls from height was launched, and a standardized manual for safety protection during high-altitude operations was formulated. 24 high-altitude work scenarios were selected, and “technological protection, physical protection, intelligent protection, and human protection” control measures were refined to comprehensively standardize and strengthen high-altitude work management. Efforts were made to create standardized and safe construction sites, with 28 projects being awarded national-level standardized construction site titles, and 475 projects being awarded provincial and municipal-level standardized construction site titles, continuously improving the level of safety production standardization. At the same time, the Company continuously innovates its safety supervision model, conducts safety management diagnosis for subsidiary companies, strengthens safety training and education, improves digital platform construction, and fully maintains the bottom line of safety production.

8. *Financing arrangements of the Company*

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

(IV) Analysis on investment

1. *Overall analysis on external equity investments*

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

beginning of the year. As at 31 December 2024 and 31 December 2023, the Company's other net investment in non-current financial assets amounted to RMB4,875,569 thousand and RMB3,992,595 thousand, respectively, representing an increase of 22.12% as compared with the beginning of the year.

2. Substantial equity investments

Applicable Not applicable

3. Substantial non-equity investments

Applicable Not applicable

4. Financial assets measured at fair value

Stock investments

Unit: RMB'000

Stock variety	Stock code	Stock abbreviation	Initial investment amount	Carrying amount at the beginning of the period	Profit or loss arising from changes in fair value for the current period	Cumulative fair value change included in equity	Amount of purchase for the current period	Amount of disposal for the current period	Carrying amount at the end of the period	Account category
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	361	233	8	-	-	-	241	Financial assets held for trading
Shares	600787	CMST Development Corp (中儲股份)	499	587	147	-	-	-	734	Financial assets held for trading
Shares	000539	GED (粵電力A)	24	31	-2	-	-	-	29	Financial assets held for trading
Shares	600515	Hainan Airport (海南機場)	264	310	15	-	-	-	325	Financial assets held for trading
Shares	600221	Hainan Airlines Holding (海航控股)	206	153	28	-	-	-	181	Financial assets held for trading
Shares	000709	Hesteel (河鋼股份)	4,600	4,041	-	151	-	-	4,192	Investments in other equity instruments
Shares	601328	Bank of Communications (交通銀行)	89,134	239,365	-	83,886	-	-	323,251	Investments in other equity instruments
Shares	000939	Kaidi Ecological (凱迪生態)	2,502	-	-	-	-	-	-	Investments in other equity instruments
Shares	600642	Shenergy (申能股份)	188	289	-	135	-	424	-	Investments in other equity instruments
Shares	000005	Fountain (世紀星源)	420	175	-	-97	-	-	78	Investments in other equity instruments
Shares	600665	Tande (天地源)	1,122	626	-	-130	-	-	496	Investments in other equity instruments
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	170,080	67,115	-	2,414	-	-	69,529	Investments in other equity instruments
Shares	000737	North Copper (北方銅業)	38,798	-	-	13,379	38,798	-	52,177	Investments in other equity instruments

Explanation of securities investments

Applicable Not applicable

Private fund investments

Applicable Not applicable

Derivative investments

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

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

Accounting policies and specific principles of accounting for hedging operations during the Reporting Period, as well as an explanation of whether there have been any significant changes compared with the previous reporting period	No significant changes have occurred.
Explanation of actual gain or loss during the Reporting Period	The impact arising from exchange rate fluctuations on the Company’s consolidated statement caliber represents a net gain.
Explanation of hedging effect	The Company’s foreign exchange derivatives business is in line with the needs of the daily operations of the Company, which enables the Company to effectively avoid exchange rate risks and reduce the possible adverse impact of exchange rate fluctuations on the Company.
Sources of funds for derivative investments	Contractual receipts and payments of foreign exchange and foreign currency funds on hand arising from normal production and operation.

Risk analysis and description of control measures for derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, and others)	(I)	Transaction Risk Analysis
	1.	Market risk: due to the unpredictability of changes at home and abroad in the economic environment, there is a possibility of loss in the valuation of the foreign exchange hedging business during the survival period, and the trading profit and loss at the time of maturity or selective delivery.
	2.	Liquidity risk: unreasonable arrangement of the foreign exchange hedging business triggers the liquidity risk of the Company's funds at the time of maturity and delivery.
	3.	Compliance risk: the choice from the counterparty is unreasonable, and the counterparty is unable to pay corresponding amount as agreed upon at the time of the maturity and delivery of foreign exchange hedging business.
	4.	Internal control risk: foreign exchange hedging business is relatively professional and sophisticated, which may result in loss in the process of foreign exchange funds due to operational errors, systems and other reasons.
	5.	Compliance risk: subject to regulatory penalties, economic losses and negative impact on the Company's reputation for its failure to comply with policies, regulations and company systems.
	(II)	Risk Control Measures
	1.	For market risk, the Company intends to take the following measures: Firstly, the foreign exchange hedging business to be undertaken by the Company are all foreign exchange forwards, simple exchange rate options, interest rate swaps and currency swaps products conducted for the purpose of hedging which are closely related to the actual business, and do not involve speculative arbitrage. Transaction gains and losses are also hedged against changes in the value of their corresponding risk assets; secondly, we strengthened research and analysis of exchange rates, paid attention to changes in the market environment both at home and abroad, and adjusted our operating strategies in a timely manner in conjunction with changes in the market; thirdly, following the signing of the foreign exchange contract, we followed up on the market in a timely manner for dynamic management, and set up a risk early warning line based on the transaction program. We regularly check the transaction situation with all counterparties, analyze and assess the possible risks and take prompt countermeasures.

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2. For liquidity risk, the Company intends to take the following measures: Firstly, the foreign exchange preservation business to be undertaken by the Company are based on the actual business, matching with the actual foreign exchange income and expenditure, and at the time of decision-making, the Company has reasonably planned the capital plan to ensure sufficient funds to be held at the time of delivery; secondly, the Company will select the difference in delivery at the appropriate time based on the type of products and market trends, so as to successfully satisfy the demand for funds for delivery; thirdly, the Company will reinforce its efforts in collection of the project, so as to ensure the return of the funds.
 3. For the performance risk, the Company intends to take the following measures: Firstly, the counterparties of the foreign exchange preservation business to be undertaken by the Company are all financial institutions with good credit, solid capital and with whom the Company has established long-term business relations, so that the performance risk is low; secondly, the Company will closely follow up on the operation of the counterparties in the process of holding positions, and will take countermeasures promptly in the event of any significant risk events.
 4. For the internal control risk, the Company intends to take the following measures: Firstly, the Company will carry out the business in strict accordance with the annual plan of foreign exchange preservation, and the specific business shall be approved by the relevant authorized personnel of the Company before processing; secondly, the Company will clearly define the responsibilities and authority of the positions of foreign exchange preservation business, and ensure the separation, constraint and supervision of incompatible positions for foreign exchange preservation business; thirdly, the Company prohibits one person from processing the whole process of foreign exchange preservation business, while the personnel for processing the business shall have the corresponding business competence; fourthly, through the foreign exchange risk management auditing and supervisory system, the Company will carry out supervision and inspection of foreign exchange preservation business norms and the effectiveness of the internal control mechanism on a regular basis.
 5. For compliance risk, the Company intends to take the following measures: Firstly, the Company concludes contracts with counterparties in compliance with the Civil Code of the People's Republic of China and relevant laws and regulations; secondly, the legal compliance department shall conduct compliance audits of foreign exchange contracts; and thirdly, third-party legal advisers or experts shall be consulted for the conclusion of major foreign exchange contracts.
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Changes in the market price or product fair value of invested derivatives during the Reporting Period, the analysis of the fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters	The Company conducted foreign exchange forward and currency swap business with caution for the purpose of hedging, and the market price fluctuated according to the exchange rate of Renminbi against the USD during the Reporting Period.
Involvement in litigation (if applicable)	Not applicable
Date of disclosure of the announcement of the Board for approval of derivative investment (if applicable)	22 January 2024
Date of disclosure of the announcement of the general meeting for approval of derivative investment (if any)	Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

VII. CONSOLIDATED AND THE COMPANY'S BALANCE SHEET

CONSOLIDATED BALANCE SHEET

Unit: RMB'000

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

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

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

This financial statement is signed by the following persons:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

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

THE COMPANY'S BALANCE SHEET

Unit: RMB'000

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

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

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

This financial statement is signed by the following persons:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

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

VIII. CONSOLIDATED AND THE COMPANY'S INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT

Unit: RMB'000

Items	31 December 2024	31 December 2023
I. Total operating revenue	552,024,638	633,870,422
Including: Operating revenue	552,024,638	633,870,422
II. Total operating costs	533,078,519	610,627,073
Including: Operating costs	498,543,592	572,456,849
Taxes and levies	2,156,087	1,921,074
Selling expenses	3,063,315	3,169,316
Administrative expenses	11,830,595	12,360,311
Research and development expenses	16,406,225	19,730,402
Financial expenses	1,078,705	989,121
Including: Interest expenses	3,362,179	2,643,310
Interest income	2,715,515	2,001,447
Add: Other income	550,228	560,094
Investment losses	(1,354,525)	(1,487,345)
Including: Gains from investments in associates and joint ventures	137,334	506,149
Losses from derecognition of financial assets at amortized cost	(1,089,125)	(1,737,172)
Losses from changes in fair values	(377,207)	(314,223)
Credit impairment losses	(7,193,525)	(5,994,293)
Impairment losses of assets	(2,540,854)	(2,954,820)
Gains on disposal of assets	1,052,666	663,075
III. Operating profit	9,082,902	13,715,837
Add: Non-operating income	453,584	288,789
Less: Non-operating expenses	281,948	239,854
IV. Total profit	9,254,538	13,764,772
Less: Income tax expenses	1,350,206	2,358,663

Items	31 December 2024	31 December 2023
V. Net profit	7,904,332	11,406,109
(I) Net profit classified by operating continuity		
Net profit from continuing operations	7,904,332	11,406,109
(II) Net profit classified by ownership ascription		
Net profit attributable to shareholders of the Company	6,745,954	8,670,405
Net profit attributable to non-controlling interests	1,158,378	2,735,704
VI. Other comprehensive income, net of income tax	(359,480)	66,560
Other comprehensive income attributable to shareholders of the Company, net of income tax	(364,852)	26,576
(I) Items that will not be reclassified to profit or loss	(120,938)	(80,701)
1. Re-measurement of defined benefit obligations	(229,146)	(75,595)
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method	(10)	(8)
3. Changes in fair values of investments in other equity instruments	108,218	(5,098)
(II) Items that may be reclassified to profit or loss	(243,914)	107,277
1. Other comprehensive income that can be reclassified to profit or loss under the equity method	(414)	3,968
2. Changes of fair value of receivables at FVTOCI	8,823	(7,874)
3. Exchange differences on translating financial statements in foreign currencies	(252,323)	111,183
Other comprehensive income attributable to non- controlling interests, net of income tax	5,372	39,984

Items	31 December 2024	31 December 2023
VII. Total comprehensive income	7,544,852	11,472,669
Total comprehensive income attributable to shareholders of the Company	6,381,102	8,696,981
Total comprehensive income attributable to non- controlling interests	1,163,750	2,775,688
VIII. Earnings per share		
(I) Basic earnings per share (RMB/share)	0.24	0.33
(II) Diluted earnings per share (RMB/share)	0.24	0.33

This financial statement is signed by the following persons:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

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

THE COMPANY'S INCOME STATEMENT

Unit: RMB'000

Items	31 December 2024	31 December 2023
I. Total operating revenue	1,219,788	1,413,954
Less: Operating costs	1,217,367	1,288,057
Taxes and levies	8,199	6,026
Administrative expenses	364,515	317,063
Research and development expenses	1,136	–
Financial expenses	(758,545)	(564,049)
Including: Interest expenses	1,468,330	1,802,835
Interest income	2,167,352	2,171,786
Add: Other income	808	662
Investment income	4,861,363	4,060,812
Including: Gains from investments in associates and joint ventures	9,096	4,229
Losses from changes in fair values	(375,377)	(256,407)
Credit impairment losses	(145,650)	(6,311)
Impairment losses of assets	(753,831)	(10,040)
Gains on disposal of assets	226	–
II. Operating profit	3,974,655	4,155,573
Add: Non-operating income	200	1
Less: Non-operating expenses	63,116	54
III. Total profit	3,911,739	4,155,520
Less: Income tax expenses	–	6,815
IV. Net profit	3,911,739	4,148,705
Net profit from continuing operations	3,911,739	4,148,705

Items	31 December 2024	31 December 2023
V. Other comprehensive income, net of income tax	(13,867)	627
(I) Items that will not be reclassified to profit or loss	(16,546)	(993)
1. Changes in re-measurement of defined benefit obligations	(16,668)	(1,063)
2. Changes in fair values of investments in other equity instruments	122	70
(II) Items that will be reclassified to profit or loss	2,679	1,620
1. Items that may be reclassified to profit or loss in equity method	2,679	1,620
VI. Total comprehensive income	<u>3,897,872</u>	<u>4,149,332</u>

This financial statement is signed by the following persons:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

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

IX. CONSOLIDATED AND THE COMPANY'S CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB'000

Items	31 December 2024	31 December 2023
I. Cash Flows from Operating Activities		
Cash receipts from the sale of goods and the rendering of services	429,136,846	486,794,527
Receipts of tax refunds	957,274	1,017,607
Other cash receipts relating to operating activities	<u>13,676,337</u>	<u>12,211,167</u>
Sub-total of cash inflows from operating activities	<u>443,770,457</u>	<u>500,023,301</u>
Cash payments for goods purchased and services received	372,274,206	430,279,213
Cash payments to and on behalf of employees	30,412,732	31,705,046
Payments of various types of taxes	12,497,726	11,558,476
Other cash payments relating to operating activities	<u>20,738,089</u>	<u>20,588,765</u>
Sub-total of cash outflows from operating activities	<u>435,922,753</u>	<u>494,131,500</u>
Net Cash Flows from Operating Activities	<u>7,847,704</u>	<u>5,891,801</u>
II. Cash Flows from Investing Activities		
Cash receipts from disposals and recovery of investments	487,057	471,917
Cash receipts from investment income	206,258	361,424
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	925,920	377,563
Net cash receipts from disposal of subsidiaries and other business units	–	11,584
Other cash receipts relating to investing activities	<u>2,123,276</u>	<u>1,590,393</u>
Sub-total of cash inflows from investing activities	<u>3,742,511</u>	<u>2,812,881</u>

Items	31 December 2024	31 December 2023
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	6,862,652	4,595,332
Cash payments to acquire investments	3,592,778	4,901,815
Other cash payments relating to investing activities	2,869,112	40,237
Sub-total of cash outflows from investing activities	<u>13,324,542</u>	<u>9,537,384</u>
Net Cash Flows used in Investing Activities	<u>(9,582,031)</u>	<u>(6,724,503)</u>
III. Cash Flows from Financing Activities		
Cash receipts from capital contributions	28,113,304	27,482,081
Including: Cash receipts from capital contributions by non-controlling interests of subsidiaries	9,731,478	4,098,725
Cash receipts from issue of perpetual bond	18,381,826	23,383,356
Cash receipts from borrowings	344,764,476	211,958,809
Other cash receipts relating to financing activities	3,552,009	1,791,552
Sub-total of cash inflows from financing activities	<u>376,429,789</u>	<u>241,232,442</u>
Cash repayments of borrowings	335,480,579	202,004,995
Cash payments for distribution of dividends or profits or settlement of interest expenses	7,781,839	7,628,969
Including: Payments for distribution of dividends or profits to non-controlling interests of subsidiaries	463,990	1,236,675
Other cash payments relating to financing activities	22,107,548	30,442,360
Sub-total of cash outflows from financing activities	<u>365,369,966</u>	<u>240,076,324</u>
Net Cash Flows from Financing Activities	<u>11,059,823</u>	<u>1,156,118</u>

Items	31 December 2024	31 December 2023
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	15,000	58,475
V. Net Increase in Cash and Cash Equivalents	9,340,496	381,891
Add: Opening balance of Cash and Cash equivalents	33,850,108	33,468,217
VI. Closing Balance of Cash and Cash Equivalents	<u>43,190,604</u>	<u>33,850,108</u>

This financial statement is signed by the following persons:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

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

THE COMPANY'S CASH FLOW STATEMENT

Unit: RMB'000

Items	31 December 2024	31 December 2023
I. Cash Flows from Operating Activities		
Cash receipts from the sale of goods and the rendering of services	146,356	1,012,051
Other cash receipts relating to operating activities	<u>1,002,508</u>	<u>1,319,187</u>
Sub-total of cash inflows from operating activities	<u>1,148,864</u>	<u>2,331,238</u>
Cash payments for goods purchased and services received	251,522	931,099
Cash payments to and on behalf of employees	249,015	208,217
Payments of various types of taxes	27,977	37,157
Other cash payments relating to operating activities	<u>814,537</u>	<u>1,254,812</u>
Sub-total of cash outflows from operating activities	<u>1,343,051</u>	<u>2,431,285</u>
Net Cash Flows from Operating Activities	<u>(194,187)</u>	<u>(100,047)</u>
II. Cash Flows from Investing Activities		
Cash receipts from disposals and recovery of investments	1,550,364	4,247,500
Cash receipts from investment income	3,817,213	3,574,826
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	-	1
Other cash receipts relating to investing activities	<u>74,712,012</u>	<u>34,097,688</u>
Sub-total of cash inflows from investing activities	<u>80,079,589</u>	<u>41,920,015</u>
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	70,737	26,516
Cash payments to acquire investments	1,042,023	1,982,207
Other cash payments relating to investing activities	<u>79,343,909</u>	<u>34,218,488</u>

Items	31 December 2024	31 December 2023
Sub-total of cash outflows from investing activities	<u>80,456,669</u>	<u>36,227,211</u>
Net Cash Flows (used in)/from Investing Activities	<u>(377,080)</u>	<u>5,692,804</u>
III. Cash Flows from Financing Activities		
Cash receipts from capital contributions	18,381,826	23,383,356
Including: Cash receipts from issue of perpetual bond	18,381,826	23,383,356
Cash receipts from borrowings	263,844,091	151,360,159
Other cash receipts relating to financing activities	452,668,718	382,091,331
Sub-total of cash inflows from financing activities	<u>734,894,635</u>	<u>556,834,846</u>
Cash repayments of borrowings	<u>259,969,137</u>	<u>150,395,829</u>
Cash payments for distribution of dividends or profits or settlement of interest expenses	4,047,835	3,577,903
Other cash payments relating to financing activities	462,924,940	412,062,732
Sub-total of cash outflows from financing activities	<u>726,941,912</u>	<u>566,036,464</u>
Net Cash Flows from/(Used in) Financing Activities	<u>7,952,723</u>	<u>(9,201,618)</u>
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	<u>3,962</u>	<u>26,664</u>
V. Net Increase/(Decrease) in Cash and Cash Equivalents	7,385,418	(3,582,197)
Add: Opening balance of Cash and Cash equivalents	<u>968,955</u>	<u>4,551,152</u>
VI. Closing Balance of Cash and Cash Equivalents	<u><u>8,354,373</u></u>	<u><u>968,955</u></u>

This financial statement is signed by the following persons:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

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

X. CONSOLIDATED AND THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2024

Unit: RMB'000

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

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

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

This financial statement is signed by the following persons:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

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

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2024

Unit: RMB '000

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

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

2023

Unit: RMB'000

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

This financial statement is signed by the following persons:

Chairman:
Chen Jianguang

General Accountant:
Bai Xiaohu

Financial Controller:
Li Yifeng

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

XI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(I) Basic information

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

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

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

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

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

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

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

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

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

During the Reporting Period, the Group did not have material changes on principal its business activities.

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

(II) **Basis of preparation of financial statements**

1. Basis of preparation

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

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

2. *Statement of compliance*

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

3. *Accounting period*

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

4. *Functional currency*

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

(III) Changes in significant accounting policies

Interpretation No. 17 of ASBEs issued in 2023 requires supplementary disclosure of supplier financing arrangements in order to help users of financial statements assess the impact of supplier financing arrangements on liabilities, cash flows and liquidity risk exposure. As of 1 January 2024, the Group and the Company are not required to disclose relevant information of comparable periods in accordance with the transitional provisions.

Interpretation No.17 of ASBEs issued in 2023 stipulates that when dividing the liquidity of liabilities, whether the Group has a substantive right to defer the settlement of liabilities to more than one year after the balance sheet date shall be considered, which is not affected by the subjective possibility of whether the Group exercises the right. For loan arrangements with contractual conditions, it is necessary to judge whether there is a right to postpone the settlement of liabilities on the balance sheet date according to different circumstances: contractual conditions that need to be satisfied on and before the balance sheet date affect the liquidity division of liabilities; The contractual conditions to be satisfied after the balance sheet date do not affect the liquidity classification of liabilities. If the terms of a liability cause the Group to settle the liability by delivering its own equity instruments at the option of the counterparty, the terms do not affect the liquidity classification of the liability if the Group classifies the option as an equity instrument and recognises it separately as an equity component of a composite financial instrument. The application of the above provisions has no significant impact on the financial statements of the Group and the Company for the current and comparative periods.

Interpretation No.17 of ASBEs issued in 2023 stipulates that the subsequent measurement of right-of-use assets and lease liabilities arising from sale and leaseback transactions in which the transfer of assets is a sale shall comply with the general requirements for the subsequent measurement of right-of-use assets and lease liabilities respectively. When subsequently measuring the lease liability arising from the sale and leaseback, the method of determining the lease payment or the lease payment after the change shall not lead to the recognition of the gain or loss related to the right of use obtained by the leaseback; If the scope of the lease is reduced or the lease term is shortened due to the lease change, the gains or losses related to the partial or complete termination of the lease shall be included in the current profit and loss for the right-of-use assets and lease liabilities in accordance with the general requirements of the current lease standards. For sale and leaseback transactions in which the transfer of assets is a sale, the Group originally determined the part related to the right to use obtained through leaseback, without considering the variable lease payments that do not depend on the index or ratio, and the application of the above provisions has no significant impact on the financial statements of the Group and the Company in the current and comparative periods.

(IV) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. *Cash and bank balances*

Unit: RMB'000

Items	31 December 2024	31 December 2023
Cash	5,045	5,675
Bank deposits	49,974,504	41,006,660
Other cash and bank balances	2,579,302	3,427,934
Total	52,558,851	44,440,269
Including: Total amount of offshore deposits	2,686,684	3,067,248

2. Bills receivable

Unit: RMB'000

Items	31 December 2024			31 December 2023		
	Book value	Provisions for credit losses	Carrying amount	Book value	Provisions for credit losses	Carrying amount
Bank acceptance bills	1,874,447	10,793	1,863,654	3,005,711	18,848	2,986,863
Commercial acceptance bills	3,041,744	59,347	2,982,397	2,650,169	53,328	2,596,841
Total	<u>4,916,191</u>	<u>70,140</u>	<u>4,846,051</u>	<u>5,655,880</u>	<u>72,176</u>	<u>5,583,704</u>

3. Accounts receivable

Unit: RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	156,691,694	95,681,657
1 to 2 years	39,475,287	20,939,601
2 to 3 years	14,596,663	12,579,164
3 to 4 years	10,052,992	5,857,627
4 to 5 years	5,167,408	3,868,099
Over 5 years	14,606,851	12,227,224
Total book value	<u>240,590,895</u>	<u>151,153,372</u>
Less: provisions for credit losses	27,077,170	21,116,108
Carrying amount	<u>213,513,725</u>	<u>130,037,264</u>

4. Prepayments

Unit: RMB'000

Aging	31 December 2024		31 December 2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	17,351,284	76.12	24,058,890	72.64
1 to 2 years	2,445,316	10.73	5,649,833	17.06
2 to 3 years	1,545,328	6.78	1,702,190	5.14
Over 3 years	1,451,406	6.37	1,710,007	5.16
Total	<u>22,793,334</u>	<u>100.00</u>	<u>33,120,920</u>	<u>100.00</u>

5. Other receivables

(1) Receivables analyzed by category

Unit: RMB'000

Items	31 December 2024	31 December 2023
Dividend receivables	150,985	112,109
Other receivables	<u>42,046,072</u>	<u>40,324,195</u>
Total	<u>42,197,057</u>	<u>40,436,304</u>

(2) *Other receivables*

(a) Aging analysis

Unit: RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	18,486,766	14,240,237
1 to 2 years	5,974,338	6,128,172
2 to 3 years	5,085,629	8,136,986
3 to 4 years	7,121,799	4,416,746
4 to 5 years	3,549,818	3,137,130
Over 5 years	12,476,253	13,799,303
Total book value	52,694,603	49,858,574
Less: provisions for credit losses	10,648,531	9,534,379
Carrying amount	42,046,072	40,324,195

(b) Other receivables categorized by nature

Unit: RMB'000

Nature of other receivables	Book value on 31 December 2024	Book value on 31 December 2023
Deposits, guarantee funds	19,318,422	19,766,030
Advances	10,765,765	10,958,639
Loan receivables and current accounts	14,228,738	9,716,294
Receivables on disposal of investments	1,547,523	3,414,423
Reserves	137,257	281,480
Others	6,696,898	5,721,708
Total	52,694,603	49,858,574

6. Inventories

(1) Categories of inventories

Unit: RMB'000

Items	31 December 2024			31 December 2023		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Raw materials	2,023,906	25,376	1,998,530	2,440,668	26,094	2,414,574
Materials procurement	41,761	10	41,751	41,013	10	41,003
Outsourced processing materials	6,158	-	6,158	6,398	-	6,398
Work in progress	2,503,517	373,881	2,129,636	2,175,463	326,968	1,848,495
Finished goods	2,380,046	111,646	2,268,400	2,391,947	115,667	2,276,280
Turnover materials	436,320	1,211	435,109	499,575	1,014	498,561
Performance costs of contracts	85,617	-	85,617	95,871	-	95,871
Properties under development (a)	37,203,220	485,834	36,717,386	45,192,629	25,734	45,166,895
Completed properties held for sale (b)	34,296,303	2,385,756	31,910,547	29,244,038	1,516,601	27,727,437
Total	<u>78,976,848</u>	<u>3,383,714</u>	<u>75,593,134</u>	<u>82,087,602</u>	<u>2,012,088</u>	<u>80,075,514</u>

(2) Provision for decline in value of inventories

Unit: RMB'000

Items	31 December 2023	Increase			Decrease			31 December 2024
		Provision	Transfer-in	Other Movements	Reversals	Write-offs	Transfer-out	
Raw materials	26,094	1,110	-	-	221	1,607	-	25,376
Materials procurement	10	-	-	-	-	-	-	10
Work in progress	326,968	57,649	-	-	-	10,736	-	373,881
Finished goods	115,667	23,476	-	-	-	27,497	-	111,646
Turnover materials	1,014	197	-	-	-	-	-	1,211
Properties under development	25,734	485,834	-	-	-	-	25,734	485,834
Completed properties held for sale	1,516,601	1,157,015	25,734	130,112	-	443,706	-	2,385,756
Total	<u>2,012,088</u>	<u>1,725,281</u>	<u>25,734</u>	<u>130,112</u>	<u>221</u>	<u>483,546</u>	<u>25,734</u>	<u>3,383,714</u>

7. *Contract assets*

(1) *Presentation of contract assets*

Unit: RMB'000

Items	31 December 2024			31 December 2023		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Contract assets interrelated with engineering contracting services	159,879,413	5,902,058	153,977,355	125,250,114	5,192,720	120,057,394
Contract assets interrelated with quality guarantee deposits	2,529,922	215,708	2,314,214	1,950,598	174,283	1,776,315
Total	<u>162,409,335</u>	<u>6,117,766</u>	<u>156,291,569</u>	<u>127,200,712</u>	<u>5,367,003</u>	<u>121,833,709</u>

(2) *West Australia SINO Iron Mining Project*

In 2012, MCC Mining (Western Australia) Pty Ltd. (“**Western Australia**”), a wholly-owned subsidiary of the Group, was forced to postpone the SINO Iron Project, including six production lines in total, due to reasons such as extreme weather condition in Australia and other unpredictable reasons. The owner of the project is CITIC Limited. The Group negotiated with China CITIC Group Ltd. (“**CITIC Group**”, the parent company of CITIC Limited) for the project delay and the total contract price after cost overruns. CITIC Group and Western Australia signed the Third Supplementary EPC Agreement of SINO Iron Project in Western Australia on 30 December 2011 agreeing that the construction costs to complete the second main process line including trial run should be within USD4.357 billion. The ultimate construction costs for the aforesaid project should be determined by an audit performed by a third-party auditor. Based on the consensus with CITIC Group above and the estimated total construction costs of the project, the Group recognized an impairment loss on contract costs of USD481 million (equivalent to approximately RMB3.035 billion) for the year ended 31 December 2012.

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

The Group assessed the accounts receivable and the contract assets based on expected credit losses. In the opinion of the Group, although the final contract amount shall be confirmed after the auditing of the third party, the consensus between the Group and CITIC Group for the previously agreed construction costs of USD4.357 billion mentioned in the paragraph above remained unchanged. The Group reasonably expected that the consensus should not have any significant change and recognized no additional contract losses as at 31 December 2024.

On 31 December 2024, the accounts receivable for the above items amounted to RMB1,747,095,000, and the contract assets of the project mentioned above amounted to RMB4,151,484,000. After the completion of the audit mentioned above, the Group will actively follow up with CITIC Group for negotiation and discussion in reaching the final agreed project construction costs and make relevant accounting treatments accordingly.

8. Long-term receivables

Unit: RMB'000

Items	31 December 2024	31 December 2023	Discount rate range
Long-term receivables on project	62,753,639	59,613,587	3.10%-5.00%
Long-term loans	5,556,732	431,347	3.60%
Receivables on disposal of equity investments	333,485	333,485	4.90%
Others	487,337	615,559	5.05%
Total book value	69,131,193	60,993,978	/
Less: Provisions for credit losses of long-term receivables	2,995,239	3,081,317	/
Total carrying amount	66,135,954	57,912,661	/
Less: Long-term net receivables due within 1 year	11,716,139	7,087,526	/
Long-term net receivables due over 1 year	54,419,815	50,825,135	/

9. Bills payable

Unit: RMB'000

Category	31 December 2024	31 December 2023
Bank acceptance bills	27,838,085	29,881,702
Commercial acceptance bills	2,309,324	1,835,388
Total	30,147,409	31,717,090

10. Accounts payable

(1) Presentation of accounts payable

Unit: RMB'000

Category	31 December 2024	31 December 2023
Project fees	235,252,263	157,758,613
Purchases	69,380,250	58,948,809
Labor fees	24,921,867	19,005,437
Retention money	1,905,050	1,842,200
Design fees	665,277	523,730
Others	2,960,336	2,315,350
Total	<u>335,085,043</u>	<u>240,394,139</u>

(2) Aging analysis of accounts payable

Unit: RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	258,934,577	183,907,341
1 to 2 years	45,451,153	31,403,823
2 to 3 years	14,764,244	12,250,222
Over 3 years	15,935,069	12,832,753
Total	<u>335,085,043</u>	<u>240,394,139</u>

11. Contract liabilities

Unit: RMB'000

Items	31 December 2024	31 December 2023
Contract liabilities relating to engineering contracting service contracts	51,306,585	54,115,408
Contract liabilities relating to pre-sales deposits	6,086,924	6,451,611
Contract liabilities relating to sales contracts	2,738,063	1,952,976
Contract liabilities relating to contracts of other customers	1,059,077	2,299,387
Total	<u>61,190,649</u>	<u>64,819,382</u>

12. Other payables

(1) Other payables disclosed by nature

Unit: RMB'000

Categories	31 December 2024	31 December 2023
Interest payable	24,025	15,768
Dividends payable	1,238,350	1,012,864
Other payables	54,535,359	39,241,059
Total	<u>55,797,734</u>	<u>40,269,691</u>

(2) Dividends payable

Unit: RMB'000

Items	31 December 2024	31 December 2023
Interest on perpetual bonds classified as equity instrument	781,773	671,145
Other dividends	456,577	341,719
Total	<u>1,238,350</u>	<u>1,012,864</u>

(3) *Other payables*

Unit: RMB'000

Items	31 December 2024	31 December 2023
Current accounts	33,989,190	17,880,541
Security deposits	13,587,846	14,950,524
Guarantee deposits	1,304,088	1,267,489
Others	5,654,235	5,142,505
Total	54,535,359	39,241,059

13. *Operating revenue and operating costs*

Unit: RMB'000

Items	2024		2023	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Principal business	550,660,991	497,613,186	632,458,977	571,530,466
Other business	1,363,647	930,406	1,411,445	926,383
Total	552,024,638	498,543,592	633,870,422	572,456,849

14. *Taxes and levies*

Unit: RMB'000

Items	2024	2023
Stamp duty	374,362	349,546
Land appreciation tax	366,318	247,233
City construction and maintenance tax	334,626	340,352
Property tax	324,644	291,447
Education surcharges	261,959	265,635
Land use tax	124,616	115,958
Others	369,562	310,903
Total	2,156,087	1,921,074

15. Selling expenses

Unit: RMB'000

Items	2024	2023
Employee benefits	1,459,864	1,545,180
Advertising and sales service expenses	705,151	679,543
Travelling expenses	308,493	315,818
Office expenses	179,978	209,200
Depreciation of fixed assets	10,046	11,159
Others	399,783	408,416
Total	<u>3,063,315</u>	<u>3,169,316</u>

16. Administrative expenses

Unit: RMB'000

Items	2024	2023
Employee benefits	8,039,315	8,289,777
Office expenses	832,220	825,247
Depreciation of fixed assets	506,990	455,782
Travelling expenses	446,319	492,296
Professional service fees	322,814	417,444
Lease rentals	273,624	236,762
Amortization of intangible assets	212,078	199,702
Depreciation of right of use assets	124,043	129,083
Repairs and maintenance expenses	112,221	144,543
Others	960,971	1,169,675
Total	<u>11,830,595</u>	<u>12,360,311</u>

17. Research and development expenditure

Unit: RMB'000

Items	2024	2023
Research and development material expenditure	10,392,306	13,688,060
Employee benefits	5,241,729	5,195,915
Depreciation of fixed assets	121,600	110,673
Amortization of intangible assets	28,074	22,076
Others	622,516	713,678
Total	<u>16,406,225</u>	<u>19,730,402</u>

18. Financial expenses

Unit: RMB'000

Items	2024	2023
Interest expenses	4,443,552	3,699,978
Less: Capitalized interests	1,081,373	1,056,668
Less: Interest income	2,715,515	2,001,447
Exchange gains	(145,811)	(304,958)
Bank charges	580,942	538,441
Interest expenses of lease liabilities	30,502	36,596
Others	(33,592)	77,179
Total	<u>1,078,705</u>	<u>989,121</u>

19. Credit impairment losses

Unit: RMB'000

Items	2024	2023
Reverse/(loss) from impairment of bills receivables	2,036	(25,420)
Loss from impairment of accounts receivables	(6,063,586)	(3,993,114)
Loss from impairment of other receivables	(1,222,023)	(1,412,449)
Reverse/(loss) from impairment of long-term receivables	90,048	(563,310)
Total	<u>(7,193,525)</u>	<u>(5,994,293)</u>

20. Impairment losses of assets

Unit: RMB'000

Items	2024	2023
Loss from impairment of inventories	(1,725,060)	(1,215,653)
Loss from impairment of contract assets	(732,538)	(1,126,698)
Loss from impairment of goodwill	(2,635)	(4,240)
Loss from impairment of long-term equity investments	(1,626)	(58,331)
Loss from impairment of investment properties	–	(182,465)
Loss from impairment of fixed assets	–	(16,092)
Loss from impairment of other non-current assets	(98,414)	(349,736)
Reverse/(loss) from impairment of other current assets	19,419	(1,605)
Total	<u>(2,540,854)</u>	<u>(2,954,820)</u>

21. Investment losses

Unit: RMB'000

Items	2024	2023
Gains from long-term equity investments under equity method	137,334	506,149
Investment income on disposal of long-term equity investments	13,380	48,027
Investment loss from disposal of trading financial liabilities	(113,311)	(37,443)
Investment income from disposal of other non-current financial assets	11,959	20,558
Investment loss from disposal of receivables at FVTOCI	(370,798)	(342,657)
Investment income from holding investments in other equity instruments	21,270	21,469
Investment income from holding other non-current financial assets	7,897	15,650
Losses from derecognition of financial assets at amortized cost	(1,089,125)	(1,737,172)
Others	26,869	18,074
Total	<u>(1,354,525)</u>	<u>(1,487,345)</u>

22. Non-operating income

Unit: RMB'000

Items	2024	2023	Recognized in non-recurring profit or loss for the current year
Income from penalty	25,882	49,243	25,882
Government grants	40,256	29,340	40,256
Unpayable balances	241,995	58,392	241,995
Others	145,451	151,814	145,451
Total	<u>453,584</u>	<u>288,789</u>	<u>453,584</u>

23. Non-operating expenses

Unit: RMB'000

Items	2024	2023	Recognized in non-recurring profit or loss for the current year
Litigation estimated liabilities	32,013	87,021	32,013
Compensation and default payments	192,885	93,760	192,885
Loss on damage and retirement of non-current assets	17,870	21,598	17,870
Fines and surcharges for overdue payments	18,083	19,846	18,083
Donations	16,066	13,410	16,066
Others	5,031	4,219	5,031
Total	<u>281,948</u>	<u>239,854</u>	<u>281,948</u>

24. Income tax expenses

(1) Income tax expenses

Unit: RMB'000

Items	2024	2023
Current year tax expenses	3,391,841	3,057,845
Deferred tax expenses	<u>(2,041,635)</u>	<u>(699,182)</u>
Total	<u>1,350,206</u>	<u>2,358,663</u>

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

Unit: RMB'000

Items	2024	2023
Total profit	9,254,538	13,764,772
Income tax expenses calculated at the tax rate of 25%	2,313,635	3,441,193
Effect of difference between applicable tax rate and statutory tax rate	(1,591,793)	(1,251,099)
Income not subject to tax	(72,171)	(193,007)
Expenses not deductible for tax purposes	190,549	183,429
Utilization of tax losses and other temporary differences for which no deferred income tax assets were recognized previously	(570,231)	(302,165)
Tax losses and other temporary differences for which no deferred income tax assets were recognized	2,079,956	2,004,627
Additional deduction for R&D expenses and others	(999,739)	(1,524,315)
Income tax expense	<u>1,350,206</u>	<u>2,358,663</u>

- (3) The domestic subsidiaries of the group are subject to PRC enterprise income tax, which have been provided based on the statutory income tax rate of 25% on the assessable income during the current period as determined in accordance with the relevant PRC income tax rules and regulations except for certain subsidiaries which were exempted from tax or taxed at preferential rate.

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

25. Other comprehensive income

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

Unit: RMB'000

Items	1 January 2024	Attributable to owners of the Company, net of income tax	Less: Retained earnings transferred from other comprehensive income	31 December 2024
Other comprehensive income that will not be reclassified to profit or loss				
Changes in re-measurement of defined benefit obligations	28,578	(229,146)	–	(200,568)
Other comprehensive income that cannot be transferred to profit or loss under equity method	35	(10)	–	25
Fair value changes in investments in other equity instruments	<u>(129,731)</u>	<u>108,218</u>	<u>(4,495)</u>	<u>(17,018)</u>
Sub-total	<u>(101,118)</u>	<u>(120,938)</u>	<u>(4,495)</u>	<u>(217,561)</u>
Other comprehensive income that may be reclassified to profit or loss				
Other comprehensive income that may be transferred to profit or loss under equity method	21,712	(414)	–	21,298
Changes in fair value of receivables at FVTOCI	(102,938)	8,823	–	(94,115)
Exchange differences on translating foreign operations	<u>1,293,819</u>	<u>(252,323)</u>	<u>–</u>	<u>1,041,496</u>
Sub-total	<u>1,212,593</u>	<u>(243,914)</u>	<u>–</u>	<u>968,679</u>
Total	<u><u>1,111,475</u></u>	<u><u>(364,852)</u></u>	<u><u>(4,495)</u></u>	<u><u>751,118</u></u>

Other comprehensive income incurred:

2024

Unit: RMB'000

Items	Before tax for the current year	Less: Income tax expenses	Attributable to owners of the Company, net of income tax	Attributable to non- controlling interests, net of income tax
Other comprehensive income that will not be reclassified to profit or loss				
Changes in re- measurement of defined benefit obligations	(260,386)	(6,481)	(229,146)	(24,759)
Other comprehensive income that cannot be transferred to profit or loss under equity method	(10)	-	(10)	-
Fair value changes in investments in other equity instruments	123,168	22,220	108,218	(7,270)
Other comprehensive income that may be reclassified to profit or loss				
Other comprehensive income that may be transferred to profit or loss under equity method	(1,158)	-	(414)	(744)
Changes in fair value of receivables at FVTOCI	14,318	2,147	8,823	3,348
Exchange differences on translating foreign operations	(217,526)	-	(252,323)	34,797
Total	(341,594)	17,886	(364,852)	5,372

26. Earnings per share

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

Unit: RMB'000

Items	2024	2023
Net profit for the current period attributable to shareholders of the Company	6,745,954	8,670,405
Including: Net profit from continuing operations	6,745,954	8,670,405
Less: The effect of other equity instruments interest	1,861,743	1,782,443
Net profit for the current period attributable to ordinary shareholders	<u>4,884,211</u>	<u>6,887,962</u>

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

All amounts in thousand shares

Items	2024	2023
Number of ordinary shares outstanding at the beginning of the year	20,723,619	20,723,619
Add: Weighted average number of ordinary shares issued during the year	–	–
Less: Weighted average number of ordinary shares repurchased during the year	–	–
Number of ordinary shares outstanding at the end of the year	<u>20,723,619</u>	<u>20,723,619</u>

(3) *Earnings per share*

RMB/share

Items	2024	2023
Calculated based on net profit attributable to ordinary shareholders:		
Basic earnings per share	0.24	0.33
Diluted earnings per share	0.24	0.33
Calculated based on net profit from continuing operations attributable to ordinary shareholders:		
Basic earnings per share	0.24	0.33
Diluted earnings per share	0.24	0.33
Calculated based on net profit from discontinued operations attributable to ordinary shareholders:		
Basic earnings per share	N/A	N/A
Diluted earnings per share	<u>N/A</u>	<u>N/A</u>

XII. DIVIDENDS

The net profit attributable to Shareholders of the Company in the audited consolidated statement of MCC in 2024 amounted to RMB6,745.95 million. Based on the total share capital of 20,723,619,170 shares, the Company proposed to distribute a cash dividend of RMB0.56 (tax inclusive) for every 10 shares and the total cash dividend is RMB1,160.52 million. The total cash dividend proposed by the plan accounts for 17.20% of the net profit attributable to Shareholders of the Company in the consolidated statement of MCC in 2024. The above profit distribution proposal is subject to the consideration and approval of the general meeting of shareholders for implementation. The Company will pay dividends on or before 31 August 2025 subject to approval. Details of the arrangement for the distribution of dividends to Shareholders will be notified by the Company separately.

XIII. CHANGES IN SHARE CAPITAL AND PARTICULARS OF SHAREHOLDERS

(I) Changes in ordinary shares

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

(II) Particulars of Shareholders and de facto controllers

1. Total number of Shareholders

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

2. Shareholdings of the top 10 Shareholders and top 10 holders of Tradable Shares (or holders of shares not subject to selling restrictions) as at the end of the Reporting Period

Unit: share

Shareholding of the top 10 Shareholders (excluding shares lent under the margin refinancing transfer)

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

**Shareholding of the top 10 Shareholders not subject to selling restrictions
(excluding shares lent under the margin refinancing transfer)**

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

**Shareholding of the top 10 Shareholders not subject to selling restrictions
(excluding shares lent under the margin refinancing transfer)**

Name of Shareholder	Number of tradable Shares held not subject to selling restrictions	Types and number of Shares	
		Types	Number
Explanations on the special account for repurchase of the top ten shareholders	Not applicable		
Explanations on the aforesaid shareholders' entrusting of voting rights, entrusted voting rights, and waiver of voting rights	Not applicable		
Explanations on the connections or parties acting in concert among the aforesaid Shareholders	Among the above Shareholders, China Minmetals Corporation and China Metallurgical Group Corporation are parties acting in concert. Apart from the above, the Company is not aware of any relationship or parties acting in concert among the other Shareholders.		
Explanations on the shareholders of preferred shares whose voting rights have been restored and the number of Shares held	Not applicable		

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

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

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

Unit: share

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

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

Changes in the top 10 Shareholders and top 10 Shareholders with tradable shares not subject to selling restrictions due to the lending/returning of shares in the margin refinancing

Applicable Not applicable

Number of Shares held by top 10 Shareholders subject to selling restrictions and information on the selling restrictions

Applicable Not applicable

(III) Particulars of Controlling Shareholder and de facto controllers

1. Controlling Shareholder

(1) Legal person

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

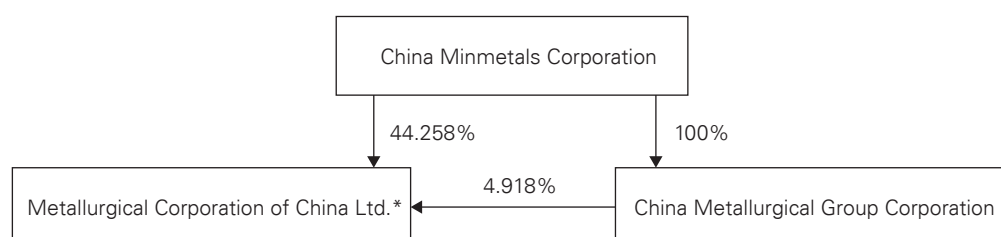
Equity interests in other domestic and overseas listed companies controlled and held by the Company during the Reporting Period As of the Reporting period, details of interests held by China Minmetals in domestic and overseas listed companies with shareholdings of 5% or more are set out in the table below.

Other explanations Nil

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

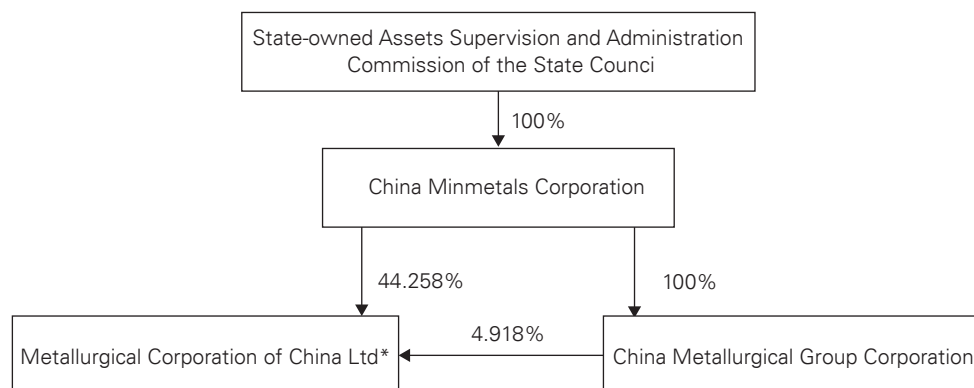
No.	Name	Name
7	Minmetals Capital Co., Ltd. (Minmetals Capital, 600390. SH)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 50.42% (of which 47.07% are held through China Minmetals Corporation Limited, 3.35% through Changsha Research Institute of Mining and Metallurgy Co., Ltd. (長沙礦冶研究院有限責任公司))
8	Minmetals Land Limited (Minmetals Land, 0230. HK)	Controlling shareholder, June Glory International Limited, had a shareholding of 61.88%
9	Xiamen Tungsten Co., Ltd. (Xiamen Tungsten, 600549. SH)	The shareholder, China Minmetals Non-Ferrous Metals Company Limited, holds a 7.68% stake in the Company
10	Huludao Zinc Industry Co., Ltd. (Zinc Industry, 000751. SZ)	China Metallurgical Group Corporation holds a 27% stake in MCC Huludao Nonferrous Metals Group Co., Ltd., which in turn holds a 20.59% stake in Huludao Zinc Industry Co., Ltd.

(2) A diagram showing the equity and relationship between the Company and the Controlling Shareholder



2. *De Facto Controller*

- (1) The de facto controller of the Company is the SASAC.
- (2) A diagram showing the equity and relationship between the Company and the de facto controller:



XIV. PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares (as defined under Hong Kong Listing Rules)). As of the Reporting Period, the Company did not hold any treasury shares.

XV. RELEVANT INFORMATION ON CORPORATE BONDS

Applicable Not applicable

XVI. COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

XVII. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules as the codes governing the dealings in the Company's securities by the Directors and Supervisors. Having made specific enquiries with all Directors and Supervisors, all Directors and Supervisors have confirmed that they themselves and their respective associates had fully complied with the required standards provided by the above code during the Reporting Period.

XVIII. WORK REVIEW OF THE FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee under the Board has reviewed the accounting principles and practices adopted by the Company and its subsidiaries in collaboration with the Company's management, and has discussed with the Directors on matters in relation to the internal control and the financial reporting of the Company, including the review of the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024.

XIX. ANNUAL GENERAL MEETING AND CLOSURE OF H SHARE REGISTER OF MEMBERS

The Company will give notice in relation to the closure of its register of members for the annual general meeting once the date of the annual general meeting is determined. Pursuant to Rule 13.66(1) of the Hong Kong Listing Rules, relevant notice will be given at least ten (10) business days before such closure.

XX. AUDITOR

As approved by the 2023 Annual General Meeting of the Company, the Company has renewed its appointment to Ernst & Young Hua Ming LLP as the auditor of the financial reports of the Company for the year 2024, the auditor of the semi-annual financial report review and the auditor of the internal control of the Company for the year 2024 for the annual audits and interim review of the financial statements of the Company prepared in accordance with China Accounting Standards.

The certified public accountants who signed off the 2024 audit report of the Company are Zhang Ningning and Zhang Ying.

XXI. PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2024 will be available on the website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.mccchina.com) on or before 22 April 2025 for inspection by the Shareholders.

XXII. DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Company” or “MCC”	Metallurgical Corporation of China Ltd.*
“State Council”	the State Council of the People’s Republic of China
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“CSRC”	the China Securities Regulatory Commission
“MIIT”	Ministry of Industry and Information Technology of the People’s Republic of China
“SSE”	the Shanghai Stock Exchange
“A Share Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules of the Hong Kong Stock Exchange”, “H Share Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“CMGC”	China Metallurgical Group Corporation
“Controlling Shareholder” or “China Minmetals”	China Minmetals Corporation
“CMCL”	China Minmetals Corporation Limited
“China ENFI”	China ENFI Engineering Corporation
“CISDI”	CISDI Group Co., Ltd.
“MCC Capital”	MCC Capital Engineering & Research Incorporation Limited
“MCC Coking”	ACRE Coking & Refractory Engineering Consulting Corporation, MCC

“WISDRI”	WISDRI Engineering & Research Incorporation Limited
“MCC Real Estate”	MCC Real Estate Group Co., Ltd.
“MCC Ecological Environmental Protection”	MCC Ecological Environmental Protection Group Co., Ltd.
“CRIBC”	Central Research Institute of Building and Construction Co., Ltd. MCC Group
“Sinosico”	China Silicon Corporation Ltd.
“MCC-SFRE”	MCC-SFRE Heavy Industry Equipment Co., Ltd
“CIE”	Zhongye Changtian International Engineering Co., Ltd.
“WSGRI”	WSGRI Engineering & Surveying Incorporation Limited
“general meeting(s)”	the general meeting(s) of Metallurgical Corporation of China Ltd.*
“Shareholder(s)”	holder(s) of share(s) of the Company
“Board”	the board of Directors of Metallurgical Corporation of China Ltd.*
“Director(s)”	the director(s) of the Company, including all executive, Non-executive and Independent Non-executive Directors
“Independent Director” or “Independent Non-executive Director”	a Director who does not hold any position other than that of Director in the Company and does not have any direct or indirect interest in the Company, its major shareholders or de facto controllers, or any other Director who may influence him/her to render independent and objective judgement
“Supervisor(s)”	the supervisor(s) of the Company
“Articles of Association”	the articles of association of Metallurgical Corporation of China Ltd.*

“Reporting Period”	from 1 January 2024 to 31 December 2024
“A Share(s)”	the domestic shares with a nominal value of RMB 1.00 each in the ordinary share capital of the Company, which are listed on the SSE and traded in RMB
“H Share(s)”	the overseas listed foreign invested shares with a nominal value of RMB 1.00 each in the ordinary share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in C3 to the Hong Kong Listing Rules
“connected person(s)”	connected party/parties under A Share Listing Rules and connected person(s) under the H Share Listing Rules
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“USD”	United States dollars, the lawful currency of the United States
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules
“Goals for ‘one building, two most, five strong’”	the goals established by the Company refers to creating a world-class enterprise with global competitiveness as the guiding principle; building the best full-service solution provider for metallurgical construction and operation with super core competitiveness, the most reliable general contractor in infrastructure with global reputation and domestic leading position as the target; its efforts to build a world-class investment and construction group with strong value creation, market competitiveness, innovative driving force, resource allocation and cultural soft power

“‘1+M+N’ regional market layout”	the Company’s regional market layout focusing on “1” province where the headquarters of a subsidiary is located (including municipalities directly under the central government, the same below) + “M” key provinces + “N” cultivated provinces
“‘Five-Five’ strategy”	the Company’s strategic goal of medium- and long-term business restructuring, namely, to further increase the proportion of metallurgy construction as its core business and featured business, aiming to reach about 50%, adjust the proportion of housing construction and municipal infrastructure business to about 50%, and stick to high-end line

* *For identification purposes only*

The forward-looking statements contained in this announcement regarding the Company’s future plans and others do not constitute any substantive commitment to investors and investors are reminded of investment risks.

Unless otherwise specified, all the amounts in this announcement are denominated in RMB.

By order of the Board
Metallurgical Corporation of China Ltd.*
Wang Zhen
Joint Company Secretary

Beijing, the PRC
28 March 2025

As at the date of this announcement, the Board comprises executive Directors: Mr. Chen Jianguang and Mr. Bai Xiaohu; non-executive Directors: Mr. Lang Jia and Mr. Yan Aizhong (employee representative director); and independent non-executive Directors: Mr. Liu Li, Mr. Ng, Kar Ling Johnny and Ms. Zhou Guoping.