中國冶金科工股份有限公司

METALLURGICAL CORPORATION OF CHINA LTD.*

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

Stock Code: 1618

2026
Interim Report

* For identification purpose only

Important Notice

1. The Board of the Company and its Directors, and senior management warrant that the contents of this interim report are true, accurate and complete without false representations, misleading statements or material omissions, and they severally and jointly accept legal responsibility for the above warranty.

2. This report was considered and approved by the 2nd meeting of the fourth session of the Board convened on 28 August 2026. All Directors of the Company attended the Board meeting.

3. The interim financial statements of the Company for the first half of 2026 has been reviewed by Deloitte Touche Tohmatsu Certified Public Accountants LLP, but has not been audited. Deloitte Touche Tohmatsu Certified Public Accountants LLP issued a review report with unqualified opinions to the Company.

4. Li Zhongze, the chairman of the Company, Dong Su, the vice president and chief accountant (chief financial officer), and Li Yifeng, the head of the financial department of the Company have declared that they guarantee the truthfulness, accuracy and completeness of the financial report contained in this interim report.

5. Proposal for the distribution of profits or the transfer of capital reserves to share capital for the Reporting Period as approved by the Board

   On 29 June 2026, the 2025 annual general meeting of the Company considered and approved the proposal in relation to the interim dividend for the year 2026. Pursuant to the interim dividend plan, the Company proposes to distribute an interim dividend if the conditions for the interim dividend are satisfied. The total amount of the interim dividend shall not exceed the consolidated net profit attributable to Shareholders of the listed company of MCC for the first half of 2026 (RMB2,326,127 thousand) and the undistributed profits of the parent company of MCC as at the end of June 2026 (RMB1,736,247 thousand). The specific plan of interim dividend for the year 2026 and its implementation arrangements will be rolled out in due course during the current year.

6. Statement for the risks associated with the forward-looking statements

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

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

   No

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

   No

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

   No

10. Warning of significant risks

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

11. Others

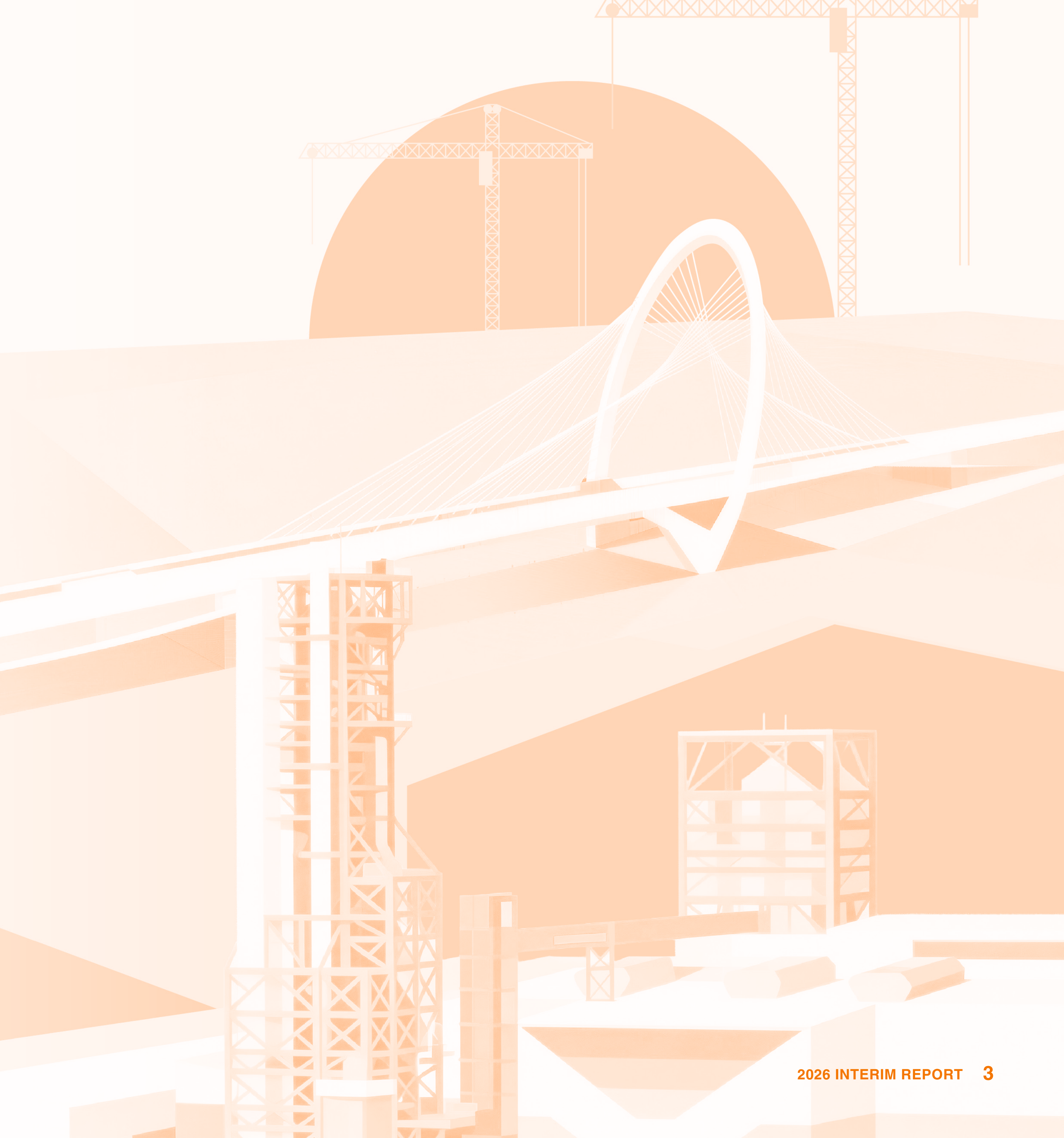
    Unless otherwise specified, all the amounts in this report are denominated in RMB. Any discrepancies between the amounts in this report and the amounts set out in the tables herein are due to rounding.

Contents

CONTENTS FOR DOCUMENTS AVAILABLE FOR INSPECTION	Financial statements signed and sealed by the person-in-charge of the Company, the person-in-charge of accounting and the head of the accounting institution
	Original of auditor's report sealed with the corporate seal of the accounting firm and signed and sealed by the certified public accountant
	Originals of all documents and announcements of the Company published on Shanghai Stock Exchange during the Reporting Period
	2026 interim report and 2026 interim results announcement published on the Hong Kong Stock Exchange

ABOUT THE COVER OF 2026 INTERIM REPORT

The design patterns on the front cover of this report, as viewed from top to bottom, are the Jinjianren Tuojiang Special-Class Bridge by China MCC5 Group Corp. Ltd. (中國五冶金簡仁沱江特大橋) and the Baosteel Zhanjiang Steel Near-Zero Carbon Production Line Project (寶鋼湛江鋼鐵近零碳產線項目) undertaken by several subsidiaries of the Company.



Section I. Definitions

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

"Articles of Association"	the articles of association of Metallurgical Corporation of China Ltd.*
"A Share Listing Rules"	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
"A Share(s)"	the domestic shares with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the SSE and traded in RMB
"Board"	the board of Directors of Metallurgical Corporation of China Ltd.*
"China Huaye"	China Huaye Group Co., Ltd.*
"CIE"	Zhongye Changtian International Engineering Co., Ltd.
"CISDI"	CISDI Group Co., Ltd.
"CMGC"	China Metallurgical Group Corporation
"Controlling Shareholder" or "China Minmetals"	China Minmetals Corporation
"connected person(s)"	connected party/parties under A Share Listing Rules and connected person(s) under the H Share Listing Rules
"Company" or "MCC"	Metallurgical Corporation of China Ltd.*
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
"CSRC"	the China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company, including all executive, non-executive and independent non-executive Directors
"Five-Five strategy"	the Company's strategic goal of medium- and long-term business restructuring, namely, to channel resources to its advantageous business segments and drive transformation toward quality and efficiency, further raise the proportion contributed by core businesses, industrial construction and featured businesses to over 50%, help the infrastructure business pursuing high-end development, and adjust the proportion of infrastructure business to below 50%.
"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 Two New Construction with global reputation and domestic leading position as the target; its efforts to build a worldclass investment and construction group with strong value creation, market competitiveness, innovative driving force, resource allocation and cultural soft power
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong

"H Share(s)"	the overseas listed foreign invested shares with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in HKD
"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
"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
"MCC Capital"	MCC Capital Engineering & Research Incorporation Limited
"MCC20"	China MCC20 Group Corp. Ltd.
"MCC Duddar"	MCC Huaye Duddar Mining Company (Pvt) Limited
"MCC Ecological Environmental Protection"	MCC Ecological Environmental Protection Group Co., Ltd.
"MCC-JJJ Mining"	MCC-JJJ Mining Development Company Limited*
"MCC Ramu"	Ramu NiCo Management (MCC) Limited
"MCC Real Estate"	MCC Real Estate Group Co., Ltd.
"MCC Tongsin Resources"	MCC Tongsin Resources Limited
"Minmetals Land Holdings"	Minmetals Land Holdings Co., Ltd.*, now renamed Minmetals Real Estate Group Co., Ltd.
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"Non-ferrous Engineering"	China Non-ferrous Engineering Co., Ltd.*
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Period"	from 1 January 2026 to 30 June 2026
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of share(s) of the Company
"General meeting(s)"	the general meeting(s) of Metallurgical Corporation of China Ltd.*

Section I. Definitions

"Six Networks Construction"	the construction of urban underground pipeline networks, water networks, new-type power grids, computing power networks, next-generation communication networks, and logistics networks
"SSE"	the Shanghai Stock Exchange
"State Council"	the State Council of the People's Republic of China
"Two New Construction"	the construction of new industrialization and new urbanization
"USD"	United States dollars, the lawful currency of the United States
"WISDRI"	WISDRI Engineering & Research Incorporation Limited

* *For identification purposes only*

Section II. Chairman's Statement

Dear Shareholders,

On behalf of the Board of MCC, I am pleased to present to you the interim report for the first half of 2026, and would like to express our sincere gratitude to all shareholders, partners and friends from all sectors of society for your long-standing trust, care and support for the Company.

The year 2026 marks a pivotal year for laying a solid foundation at the start of the "15th Five-Year Plan" period, and also a critical period for the Company to deepen its transformation and upgrading and to tackle key challenges with concerted efforts. At present, as China's supply-side structural reform continues to deepen, the industry landscape is undergoing profound changes. The ferrous metallurgy industry has completed its transition from quantitative growth to quality enhancement, while the infrastructure and construction industries have shifted from a phase of rapid growth to a period of deep adjustment. These adjustments are not temporary or short-term in nature, but represent a long-term and deep-seated structural reshaping.

In the first half of 2026, in the face of a complex and challenging market environment and multiple pressures, MCC remained steadfast in its confidence, rose to the challenges, and proactively adjusted its business mix and improved quality, with a view to strengthening its risk resilience and core competitiveness. As a result, the Company maintained overall stability in its operations and achieved tangible results in its transformation and upgrading.

First, the quality of operations remained stable and the business structure continued to improve. In the first half of the year, the Company achieved operating revenue of RMB175.907 billion and total profit of RMB4.019 billion. The cash-to-revenue ratio reached 105.32%, representing a year-on-year increase of 18.89%. The "Five-Five Strategy" was further advanced, with the "One Core" (metallurgical, non-ferrous and mining engineering) business accounting for 21.37% of total operating revenue, up by 4.77 percentage points, of which, revenue from the mining engineering business stood at RMB4.111 billion, representing an increase of 32.58% compared with the same period last year, and revenue from research and design subsidiaries amounted to RMB43.262 billion, remaining broadly flat compared with the same period last year. The "Five Featured" businesses accounted for 11.32% of total operating revenue, up by 2.08 percentage points, among which the digital and intelligent applications business generated revenue of RMB500 million, representing a year-on-year increase of 17.06%.

Second, the role of innovation service platforms was fully leveraged, and breakthroughs were achieved in technological innovation. In the first half of the year, the Company secured 25 metallurgical science and technology awards and 2 China patent excellence awards, led the formulation of 12 national standards, and obtained 1,381 newly granted invention patents. The Company further expanded its full-life-cycle operation and maintenance services for mines, and successfully completed and put into operation a smart mining centralized control centre integrating remote control, intelligent scheduling and AI-assisted decision-making, facilitating the intelligent upgrading of mining construction and operations. Focusing on the high-end, intelligent and green transformation of the ferrous metallurgy industry, the Company's independently developed full-localization hydrogen-based shaft furnace hot DRI pneumatic conveying technology and equipment was successfully applied to Baosteel Zhanjiang's near-zero carbon production line, filling a technological gap in the industry. In addition, the Company deepened the integration of AI and digital intelligence, with five projects selected as typical cases of AI application by the Ministry of Industry and Information Technology in 2025.

Third, marketing quality steadily improved and project management and performance capabilities continued to be enhanced. The Company precisely targeted quality markets, quality customers and quality projects, deepened "head-to-head" strategic cooperation with key clients, and established an efficient and coordinated integrated marketing system, achieving continued improvements in both domestic market development and overseas market expansion along the "Belt and Road Initiatives". At the same time, the Company advanced lean performance management and upgraded the whole-life-cycle project management and control system. Leveraging standardized management manuals, the Company built an integrated domestic and cross-border control framework, and implemented effective measures to ensure the delivery of lean project management.

Steadfast progress leads to a new journey ahead. Looking forward, the Company will continue to firmly anchor itself in the long-term evolution of the industry, take proactive actions, and unswervingly advance transformation and upgrading. We will further systematically reshape our development model, growth drivers, profit structure and business logic, with a view to creating a differentiated competitive advantage unique to MCC. Through practical efforts and determined actions, we will strive to deliver outstanding performance, repay the trust and support of our shareholders, and write a new chapter in MCC's high-quality and sustainable development.

Section III. Company Profile and Major Financial Indicators

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

In recent years, MCC has anchored the Goals for "one building, two most, five strong", aiming to create a world-class enterprise with global competitiveness. It endeavors to be the best overall solution provider for metallurgical construction and operation with super core competitiveness and the internationally renowned and domestically leading general contracting service provider for Two New Construction, so as to become a world-class investment and construction group with strong value creativity, strong market competitiveness, strong innovation driving force, strong resource allocation, and strong cultural soft power. It ranked 8th in ENR's "Top 250 Global Contractors" in 2026, maintaining its position among the top ten global contractors for eighteen consecutive years.

The Company has strong strength in scientific research and development. As a national innovative enterprise, it has 25 national-level scientific research and development platforms and over 56,000 effective patents. Since 2009, it has won 94 China Patent Awards. Since 2000, it has won 58 National Science & Technology Awards and published 72 international standards and 670 national standards. It has over 60,000 engineering technicians, one academician of the Chinese Academy of Engineering, ten national exploration and design masters, two experts listed on the "National Hundred, Thousand and Ten Thousand Talent Project", three winners of the Grand Skill Award of China, three gold medallists of the World Skills Competition, 86 National Technical Experts and ten national skill master studios.

The Company has a reasonable business structure. It has accelerated the pace of re-transformation and re-upgrading by leveraging the technological and qualification advantages that have been accumulated for more than 70 years in the field of iron and steel metallurgy whole process and whole industrial chain. It steadfastly promoted a fundamental shift in its development model from a scale-and-speed-oriented approach to a quality-and-efficiency-oriented one. As a result, the Company has established a new business landscape of "One Core, Two Main Bodies and Five Features (一核心兩主體五特色)" with the metallurgy construction as the "Core", the industrial construction and infrastructure construction as the two "Main Bodies", and the engineering services, new materials, high-end equipment, energy and environmental protection, and digital intelligence applications as the "Features". This has achieved a strategic reshaping featuring a more focused principal responsibility and core business, more diversified development drivers, and a more robust risk resistance capability.

The Company's qualification is leading in the industry. It owns 11 research, exploration and design enterprises, 15 large-scale construction enterprises and has 4 comprehensive Class A design qualifications, 3 comprehensive Class A survey qualifications, 9 comprehensive supervision qualifications, and 50 special-grade construction qualifications for general contracting. The number of enterprises rated with fourth, third and second special-grade construction qualifications stands at six, two and four, respectively, ranking at the forefront in China.

The Company has a wide market coverage. It has established 140 overseas institutions in 54 countries (regions), mainly distributed in Southeast Asia, South Asia, the Middle East, Central Asia and Africa along the "Belt and Road" initiative. Its domestic secondary institutions and contracted projects are spread across 31 provinces, autonomous regions, and municipalities.

During its 70-plus years of development, MCC has developed an irreplaceable advantage in the integration of the entire metallurgical construction industry chain and unique corporate core competitiveness. The Company has received the Luban Prize for Construction Projects (National Quality Engineering) for 149 projects (including participation) by the China Construction Industry Association, the National Quality Engineering Award for 318 projects (including participation) by the China Construction Enterprise Management Association, the Zhan Tianyou Civil Engineering Prize for 32 projects (including participation), and National Metallurgical Industry High Quality Project Award for 1,648 projects (including participation).

MCC was listed on the main board of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 21 September 2009 and 24 September 2009. At present, the Company's A Shares are included in the SSE 180 Index, CSI 300 Index, MSCI Concept Index, etc.; its H Shares are constituents of the Hang Seng Composite Index, Hang Seng Stock Connect Index, etc.

Section III. Company Profile and Major Financial Indicators

I. CORPORATE INFORMATION

Company name in Chinese	中國冶金科工股份有限公司
Abbreviation in Chinese	中國中冶
Company name in English	Metallurgical Corporation of China Ltd.
Abbreviation in English	MCC
Legal representative of the Company	Li Zhongze [Note]

Note: Industrial and commercial change registration is pending completion.

II. CONTACT PERSONS AND CONTACT METHOD

	Secretary to the Board	Joint Company Secretaries
Name	Chang Qi	Chang Qi and CHU Pik Man
Address	MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing, the PRC	MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing, the PRC
Telephone	+86-10-59868666	+86-10-59868666
Facsimile	+86-10-59869033	+86-10-59869033
E-mail	ir@mccchina.com	ir@mccchina.com

III. CHANGES IN BASIC INFORMATION

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

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

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

Section III. Company Profile and Major Financial Indicators

V. SHARES OF THE COMPANY

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

VI. OTHER RELEVANT INFORMATION

Auditor appointed by the Company	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, Bund Center, 222 East Yan'an Road, Shanghai
	Signing auditors	Chen Wenlong, Zhou Hongyu
Domestic legal advisor appointed by the Company	Name	Beijing Jia Yuan Law Offices
	Office address	F408 Ocean Plaza, 158 Fu Xing Men Nei Avenue, Xicheng District, Beijing
Overseas legal advisor appointed by the Company	Name	Eric Chow & Co. in Association with Commerce & Finance Law Offices
	Office address	Unit 3401, Alexandra House, 18 Chater Road, Central, Hong Kong

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Major Accounting Data

Unit: RMB'000

Major accounting data	This Reporting Period (January to June)	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared to the corresponding period of the previous year *(%)*
Operating revenue	**175,906,562**	237,532,712	-25.94
Total profit	**4,019,433**	5,279,149	-23.86
Net profit attributable to Shareholders of the listed company	**2,326,127**	3,099,278	-24.95
Net profits attributable to shareholders of the listed company after deducting nonrecurring profits and losses	**1,707,331**	2,326,486	-26.61
Net cash flow generated from operating activities	**(22,800,957)**	(21,984,978)	Not applicable

	End of the Reporting Period	End of the previous year	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year *(%)*
Net assets attributable to Shareholders of the listed company	**156,679,796**	155,762,737	0.59
Total assets	**806,794,351**	839,488,682	-3.89

(II) Major Financial Indicators

Major financial indicators	This Reporting Period (January to June)	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared to the corresponding period of the previous year *(%)*
Basic earnings per share *(RMB/Share)*	**0.05**	0.09	-44.44
Diluted earnings per share *(RMB/Share)*	**0.05**	0.09	-44.44
Basic earnings per share after deducting non-recurring profits and losses *(RMB/Share)*	**0.02**	0.05	-60.00
Weighted average return on net assets *(%)*	**0.97**	1.72	decreased by 0.75 percentage point
Weighted average return on net assets after deducting non-recurring profits and losses *(%)*	**0.37**	0.98	decreased by 0.61 percentage point

(III) Financial Highlights

1. *Overview*

The Company's financial position as at 30 June 2026 and its operating results for the six months ended 30 June 2026 were as follows:

- Operating revenue amounted to RMB175.907 billion, representing a decrease of RMB61.626 billion (or 25.94%) from RMB237.533 billion in the first half of 2025.

- Total profit amounted to RMB4.019 billion, representing a decrease of RMB1.260 billion (or 23.86%) from RMB5.279 billion in the first half of 2025.

- Net profit amounted to RMB3.077 billion, representing a decrease of RMB0.996 billion (or 24.45%) from RMB4.073 billion in the first half of 2025.

- Net profit attributable to Shareholders of the listed company amounted to RMB2.326 billion, representing a decrease of RMB0.773 billion (or 24.95%) from RMB3.099 billion in the first half of 2025.

- Basic earnings per Share amounted to RMB0.05, compared to RMB0.09 in the first half of 2025.

- Total assets as at 30 June 2026 amounted to RMB806.794 billion, representing a decrease of RMB32.695 billion (or 3.89%) from RMB839.489 billion as at the end of 2025.

- Shareholders' equity as at 30 June 2026 amounted to RMB184.872 billion, representing an increase of RMB1.313 billion (or 0.72%) from RMB183.559 billion as at the end of 2025.

- Value of newly signed contracts amounted to RMB413.637 billion, representing a decrease of RMB134.565 billion (or 24.55%) from RMB548.202 billion in the first half of 2025.

Note: The percentages of increase or decrease are calculated based on the figures denominated in RMB.

2. *Operating Revenue from Principal Business Segments*

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

(1) Core Business

Operating revenue amounted to RMB37.800 billion, representing a decrease of RMB2.034 billion (or 5.11%) from RMB39.834 billion in the first half of 2025.

(2) Main Business

Operating revenue amounted to RMB119.077 billion, representing a decrease of RMB49.123 billion (or 29.20%) from RMB168.200 billion in the first half of 2025.

(3) Featured Business

Operating revenue amounted to RMB20.020 billion, representing a decrease of RMB2.146 billion (or 9.68%) from RMB22.166 billion in the first half of 2025.

Note: All statistics of segment operating revenue above are figures before inter-segment elimination; the percentages of increase or decrease are calculated based on the figures denominated in RMB.

3. *Summary of financial statements*

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

(1) *Consolidated Income Statement*

Unit: RMB'000

Item	NOTE VII	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
I. Total operating income	51	175,906,562	237,532,712
Including: Operating income		175,906,562	237,532,712
II. Total operating costs		170,576,892	228,566,665
Including: Operating costs	51	158,664,357	213,563,935
Taxes and levies	52	696,075	877,155
Selling expenses	53	1,101,224	1,304,083
Administrative expenses	54	4,781,975	5,332,722
Research and development expenses	55	4,703,901	6,734,970
Financial expenses	56	629,360	753,800
Including: Interest expenses		1,119,247	1,435,030
Interest income		1,275,151	937,172
Add: Other income	57	200,829	239,657
Investment loss	58	(226,169)	(445,757)
Including: Losses on investments in associates and joint ventures		(36,374)	(52,241)
Losses arising from derecognition of financial assets at amortised cost		(185,143)	(256,644)
Gains/(Losses) on changes in fair value	59	25,683	(44,681)
Impairment losses of credit	60	(926,006)	(1,905,514)
Impairment losses of assets	61	(491,528)	(1,700,083)
Gains on disposal of assets	62	19,877	178,667
III. Operating profit		3,932,356	5,288,336
Add: Non-operating income	63	171,618	127,460
Less: Non-operating expenses	64	84,541	136,647
IV. Total profit		4,019,433	5,279,149
Less: Income tax expenses	65	942,221	1,206,157
V. Net profit		3,077,212	4,072,992
(I) Classified by the continuity of operation			
Net profit from continuing operations		3,077,212	5,282,984
Net loss from discontinued operations		–	(1,209,992)
(II) Categorised by ownership			
Net profit attributable to Shareholders of the Company		2,326,127	3,099,278
Profit or loss attributable to minority interests		751,085	973,714

Item	NOTE VII	**For the six months ended 30 June 2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
VI. Other comprehensive loss, net of tax	47	**(217,779)**	(26,314)
Other comprehensive loss attributable to Shareholders of the Company, net of income tax		**(165,139)**	(13,674)
(I) Other comprehensive (loss)/income that cannot be reclassified subsequently to profit or loss		**(109,053)**	13,887
1. Changes from remeasurement of defined benefit plans		**(58,881)**	120
2. Other comprehensive loss that cannot be subsequently reclassified to profit or loss under the equity method		**–**	(23)
3. Changes in fair value of investments in other equity instruments		**(50,172)**	13,790
(II) Other comprehensive loss that will be reclassified subsequently to profit or loss		**(56,086)**	(27,561)
1. Other comprehensive loss that can be reclassified to profit or loss under the equity method		**(3,844)**	(1,916)
2. Changes in fair value of receivables financing		**9,548**	9,721
3. Translation differences of financial statements denominated in foreign currencies		**(61,790)**	(35,366)
Other comprehensive loss attributable to minority interests, net of tax		**(52,640)**	(12,640)
VII. Total comprehensive income		**2,859,433**	4,046,678
Total comprehensive income attributable to Shareholders of the Company		**2,160,988**	3,085,604
Total comprehensive income attributable to minority interests		**698,445**	961,074
VIII. Earnings per share	66		
Basic earnings per share *(RMB/Share)*		**0.05**	0.09
Diluted earnings per share *(RMB/Share)*		**0.05**	0.09

(2) Summary of Consolidated Total Assets and Total Liabilities at the end of June 2026

Unit: RMB'000

	30 June 2026	31 December 2025
Total assets	**806,794,351**	839,488,682
Total liabilities	**621,922,338**	655,929,244
Total equity	**184,872,013**	183,559,438

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

☐ Applicable ☑ Not applicable

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

Unit: RMB'000

Non-recurring profit and loss items	Amount	Note
Profit or loss on disposal of non-current assets, including the write-off of provision for impairment of assets	18,057	XVIII
Government grants recognized in current profit or loss (except for the government grants that are closely related to the normal operating business of the Company and, in line with national policies and in accordance with defined criteria, which have a lasting impact on the profit or loss of the Company)	140,493	XVIII
Profit/loss from the change of fair value of financial assets and financial liabilities held by non-financial enterprises, and profit/loss from the disposal of financial assets and financial liabilities except for those gain/loss relating to the effective hedging transactions under the Company's normal operating business	29,846	XVIII
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss	75,992	XVIII
Reversal of provision for impairment of receivables individually tested for impairment	394,110	XVIII
Profit/loss from debt restructuring	51,725	XVIII
Other non-operating income and expenses other than the above items	86,706	XVIII
Less: Impact on income tax	(125,799)	XVIII
Impact on minority Shareholders interests (after tax)	(52,334)	XVIII
Total	618,796	XVIII

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

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

Section III. Company Profile and Major Financial Indicators

XI. MAJOR FINANCIAL DATA IN 2026 ON A QUARTERLY BASIS

Unit: RMB'000

Major accounting data	The first quarter (January – March)	The second quarter (April – June)
Operating revenue	92,203,820	83,702,742
Total profit	2,369,986	1,649,447
Net profit attributable to Shareholders of the listed company	1,632,712	693,415
Net profit attributable to Shareholders of the listed company after deducting non-recurring profits and losses	1,491,341	215,990
Net cash flow generated from operating activities	(25,065,173)	2,264,216

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

(I) Overview of the Company's Major Business Activities

The Company actively advances the top-level design for the 15th Five-Year Plan, continuously consolidates its strategic positioning as "International Leader in Metallurgical Construction and National Pioneer in the Two New Construction". It has established a new business system layout known as "One Core, Two Main Bodies and Five Features (一核心兩主體五特色)", namely taking metallurgical construction as the core, industrial construction and infrastructure construction as the two main bodies, and engineering services, new materials, high-end equipment, energy and environmental protection, as well as digital and intelligent applications as the five featured businesses. The Company is firmly pushing forward its transformation towards quality and efficiency-driven growth and accelerating the pace of corporate re-transformation and upgrading.

1. *"One Core" Businesses: Metallurgical Engineering, Non-ferrous and Mining Engineering*

Metallurgical engineering, non-ferrous and mining engineering forms the core business of the Company. As the founder of New China's metallurgical industry, the world's largest, most technologically advanced and most complete industrial chain metallurgical construction contractor and operation service provider, leveraging its full industrial chain integration strengths integrating engineering consulting, survey, design and construction, the Company is capable of delivering full-life-cycle services covering iron and steel, non-ferrous metallurgy, mining and new energy metals, maintaining an absolutely leading position in the global metallurgical engineering field. As the national team in metallurgical construction, the Company is a leading enterprise in the research, development and engineering application of hydrogen metallurgy technology in China, having established a comprehensive technical system covering process R&D, core equipment, engineering design and project construction. The world's first industrial-scale hydrogen-based vertical furnace project utilizing coke oven gas without reforming, designed by the Company, has successfully demonstrated the large-scale industrialization of hydrogen metallurgy: the independently developed, domestically produced complete set of hydrogen-based vertical furnace technologies covers the entire process chain from reduction smelting and hot DRI conveyance to electric arc furnace steel-making, breaking foreign technological monopolies and providing strong support for the low-carbon transition of China's steel industry.

2. *"Two Main Bodies" Businesses: Industrial Construction and Infrastructure Construction*

Industrial construction and capital construction are the two main businesses of the Company. Among them, industrial construction focuses on electronic factories, precision workshops, machinery and equipment manufacturing, light industry, petrochemicals, conventional power engineering, industrial parks and other sectors; capital construction mainly covers high-rise building construction, urban renewal, six-network development, as well as infrastructure, water conservancy works and municipal engineering. The business models primarily include EPC general contracting, comprehensive area development (integrated primary and secondary land development), whole-process engineering consultancy, PPP and ABO. The Company boasts a complete industrial chain spanning survey and design, investment and financing, engineering construction, through to operation and maintenance. It has undertaken numerous landmark building and infrastructure projects, and secured hundreds of honours including the Luban Prize and National Quality Engineering Award. Its business footprint covers the whole of China and countries along the "Belt and Road" initiative.

3. *"Five Features" Businesses: Engineering Services, New Materials, High-end Equipment, Energy and Environmental Protection, and Digital Intelligence Applications*

In recent years, the Company has accelerated its pace of re-transformation and upgrading, strived to expand its five featured businesses of engineering services, new materials, high-end equipment, energy and environment protection, and digital intelligence applications, fostered more diversified growth drivers and strengthened its resilience against risks.

As an integral component of the Company's "One Core, Two Main Bodies and Five Features" business system, the engineering services business principally covers project management, construction supervision, survey, quality inspection services, operation services and whole-process consultancy services for engineering projects in metallurgy, non-ferrous metals and mining, building construction, municipal infrastructure construction and other sectors. It has built a comprehensive service system featuring diversified business formats and maintained an industry-leading edge, successfully developing a number of market-renowned brands such as "MCC Baosteel Technology", "CISDI Consulting (中冶賽迪諮詢)", "MCC Inspection", "CERIS", and "Yuan Da International".

The Company's new materials business mainly focuses on the research, development and production of green, low-carbon and high-performance new materials, covering copper-based materials, aluminium-based materials, carbon materials, new building materials and other materials. Drawing on high-quality domestic and overseas R&D resources and guided by national strategic needs and industrial upgrading drivers, the Company actively establishes an innovative R&D system for new materials. By accelerating the industrialisation of technologies such as high-end aluminium materials and eco-friendly brass, the Company has successfully developed and actively promoted the application of 7XXX series high-performance aluminium alloy ingots, hundred-kilogram-grade eco-friendly brass, super welding wires and powder products. It has also successfully produced high-quality aluminium-scandium master alloys complying with national standards, achieving domestic leading standards in key indicators including high homogeneity, fine grains and low impurity content.

The Company's high-end equipment business mainly covers steel structure manufacturing and installation, metallurgical core equipment manufacturing and assembly integration, and mining engineering equipment manufacturing, including the manufacturing of metallurgical special equipment and non-metallurgical equipment (general equipment and special equipment). In particular, in the sector of core metallurgical process equipment, the Company has built up profound technological expertise, extensive engineering experience and a leading domestic market share. Certain types of its equipment have attained internationally advanced standards. The Company also boasts distinctive strengths and practical experience in promoting the intelligentisation (unmanned overhead travelling cranes and intelligent rolling lines), large-scale development, high efficiency, energy conservation and environmental performance of metallurgical equipment. As a pioneer in the domestic industrial automation field where core equipment is independently controllable, the Company has independently developed high-performance inverters and intelligent controllers, successfully breaking the long-term monopoly held by imported brands. It systematically advances domestic substitution and digital and intelligent transformation of key industrial equipment. Meanwhile, the Company has concentrated on the R&D and manufacturing of electrical equipment for industrial enterprises and has established an independent core product portfolio covering variable-frequency drives, high-power power supplies and power quality solutions.

The Company's energy and environmental protection business mainly covers the engineering construction and operation services for municipal solid waste treatment, new energy power generation (clean energy power generation including wind power, solar power and hydrogen energy), energy storage (including clean energy storage such as solar energy, wind energy, hydropower, hydrogen energy, etc.), water treatment (including sewage treatment, industrial wastewater recycling, reclaimed water business, sludge disposal, etc.), air pollution control (including industrial waste gas emission treatment), and ecological restoration (river regulation, soil and land heavy metal pollution control, mine restoration). The Company possesses domestically leading and internationally advanced technologies and extensive engineering track records in ultra-low emission technologies for areas such as the metallurgical industry, advanced treatment and reuse of industrial wastewater, resource utilization of metallurgical solid waste, and efficient recovery and utilization of industrial residual heat and energy; the Company has established a significant brand presence in urban environmental protection sectors such as waste incineration power generation (grate furnace technology), comprehensive water environment treatment (treatment of black and odorous water bodies, river basin treatment) and soil remediation, and MCC Ecological Environmental Protection under the Company, operates 60 water plants with a total designed capacity of over 4 million tonnes per day. Its water treatment capacity ranks among the forefront of central construction enterprises. It has established a full industrial chain service system covering urban water supply, municipal sewage treatment, industrial wastewater treatment and sludge treatment & disposal.

The Company's digital intelligence applications business mainly provides full-process digital solutions such as smart engineering management systems and industrial internet platforms, digital transformation consultancy and IoT technology applications, as well as production intelligent services including the manufacturing of industrial robots, intelligent production scheduling, predictive equipment maintenance and AI visual inspection for the metallurgical and construction sectors. The Company takes an industry-leading position in the in-depth application of industrial scenarios. It has successfully developed products including the CISDigital AI Eyes Large Model (CISDigital AI 金睛視覺大模型) and vertical large models tailored for the iron and steel industry, which have been deployed and applied at multiple iron and steel enterprises. The Company has also developed the first domestic self-developed intelligent construction robot cluster, spearheading the emergence of new ecosystems and new industries within the construction sector.

(II) Overview of the Industry Landscape for Major Businesses of the Company

At this stage, China's iron and steel industry has moved past the phase of extensive development model of scale expansion and entered a new era of high-quality development featuring stock optimisation, structural reshaping, green-oriented quality improvement and digital-intelligent empowerment. The industry's transformation centres heavily on two major themes: low-carbon green development and intelligent upgrading. With the rapid advancement of digital technologies and continuous emergence of cutting-edge artificial intelligence, new technologies including ultra-low emissions, ultimate energy efficiency, hydrogen metallurgy, short-route electric-arc furnace processes and industrial AI are scaling up from demonstration pilots to large-scale application. Meanwhile, policy and market constraints have come into force one after another, including the compliance obligations for the iron and steel sector under China's national carbon market, the official launch of charges under the EU Carbon Border Adjustment Mechanism (CBAM) in 2026, and the national three-year campaign (2026-2028) for energy conservation and carbon reduction covering nine major high-energy-consuming industries. These factors further render green and intelligent retrofitting a core imperative for metallurgical engineering construction and technical renovation, unlocking growth potential for businesses such as metallurgical design, engineering contracting, operation and maintenance services and equipment manufacturing.

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

Driven by national strategies relating to new quality productive forces, new industrialisation and the "dual carbon" goals, the domestic industrial construction and infrastructure industries are undergoing structural transformation. Market potential continues to be unleashed in areas including green factory upgrading, solid waste treatment and low-carbon park retrofitting. Emerging industries such as new energy and high-end equipment are also fuelling growing demand for the construction of high-standard factories and smart industrial parks. Supported by the 15th Five-Year Plan and the coordinated regional development strategy, the development of the "Six Networks Construction" covering transport, energy, water conservancy and other sectors has become a core priority for infrastructure investment. The infrastructure market is shifting from scale expansion to addressing weak links, structural adjustment and functional improvement. The building construction industry has entered an inventory-driven era. Urban renewal, renovation of ageing facilities and high-quality residential development have replaced traditional shantytown redevelopment. Competition within the industry has intensified, and benefits continue to concentrate on central construction enterprises with robust risk control capabilities and comprehensive strengths.

The overseas construction industry generally features low-speed growth and structural divergence. Demand for conventional building construction and commercial real estate remains subdued on the whole. New energy infrastructure, cross-border transport trunk lines, digital infrastructure and renovation of existing buildings have emerged as core growth tracks, marking a notable shift in industry demand structure. Rooted in markets along the "Belt and Road", the Company continues to consolidate its core principal businesses in metallurgy and mining. Aligning with the industrialisation, new energy industry and infrastructure development priorities of various host countries, the Company actively explores emerging markets in light of local industrial layout plans.

II. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) **Strong Value Creation Capacity.** Leveraging its technical and qualification advantages accumulated over more than 70 years in the entire process and industrial chain of steel metallurgy, the Company strengthens its core metallurgical construction business to consolidate the "basic disk" of traditional advantages; optimizes its two main businesses of industrial construction and capital construction to consolidate the "ballast stone" of scale and efficiency; expands its five characteristic businesses including engineering services, new materials, high-end equipment, energy and environmental protection, and digital intelligence applications to develop new tracks for transformation and upgrading, forming a diversified business system layout of "One Core, Two Main Bodies and Five Features (一核心兩主體五特色)". This business structure holds distinct advantages in terms of reinforcing business synergy and enhancing resilience. Through sharing technologies, customer resources and supply chains among related businesses, the Company helps form synergy effects, further reduces operating costs, improves overall competitiveness, and provides strong support for expanding emerging market space.

(II) **Strong Market Competitiveness.** The Company is the world's largest and strongest metallurgical construction contractor and metallurgical enterprise operation service provider, with absolute competitive advantages and leading position in the field of metallurgical engineering. The Company has world-leading technical strength in the field of metallurgical engineering, accumulated core technical advantages and design and construction capabilities throughout all links of metallurgical engineering, especially independent core technologies in blast furnaces, converters, steel rolling, etc.; it has all the largest and strongest metallurgical design institutes ranked among the top in the domestic metallurgical engineering field, and has taken the lead in completing the planning, design and construction of almost all large and medium-sized metallurgical enterprises in China, occupying most of the domestic metallurgical market share, with a global market share far exceeding that of its competitors, giving it an unshakable market influence.

(III) **Strong Innovation Driving Force.** The Company has a relatively complete technological innovation system in fields such as metallurgical construction, industrial construction, capital construction and featured business, and is committed to original and leading technological R&D and transformation and application. As of the end of the Reporting Period, the Company has 25 national-level scientific and technological R&D platforms, more than 56,000 valid patents, 8 "Science and Technology Reform" and "Dual Hundred" enterprises, 10 national-level manufacturing single champions, and 14 specialized, refined, featured and new "little giant" enterprises. It has accumulated 58 national science and technology awards, issued 72 international standards and 670 national standards. It not only has a strong say in the field of metallurgical construction, but also shows strong development potential in emerging fields such as green low-carbon and intelligent construction. As at the end of the Reporting Period, the Company has 1 academician of the Chinese Academy of Engineering, 10 national masters of engineering survey and design, 2 experts of the National Hundred, Thousand and Ten Thousand Talent Project, 3 winners of the Grand Skill Award of China, 3 gold medalists of the World Skills Competition, 86 National Technical Experts, and 10 national skill master studios, as well as more than 60,000 engineering and technical personnel, with strong scientific research resources and a solid scientific research team.

(IV) **Strong Resource Allocation Capacity.** The Company has unique full-industrial chain system integration capabilities, with 11 engineering design and research companies, 15 large-scale construction enterprises, 4 comprehensive Class A design qualifications, 3 comprehensive Class A survey qualifications, 9 comprehensive supervision qualifications, and 50 special-grade general contracting qualifications, forming a high-level, diversified and comprehensive qualification matrix. The Company has a complete engineering construction industrial chain covering scientific research and development, consulting and planning, surveying and mapping, engineering design, engineering supervision, civil engineering construction, installation and commissioning, operation management, equipment manufacturing, technical services and import and export trade. Compared with general engineering design enterprises, engineering construction enterprises or equipment manufacturing enterprises, it can integrate resources across the entire industrial chain to provide customers with more comprehensive and integrated services. At the same time, by effectively exerting the integrated role of the "Five Linkages" of internal units, it further strengthens the coordinated development and complementary advantages of the upstream and downstream of the industrial chain, and improves the Company's market competitiveness in comprehensive projects.

(V) **Strong Cultural Soft Power.** The Company's history can be traced back to the earliest steel industry construction force in New China, and it is the pioneer and main force of China's steel industry. Since 1948, it has participated in the construction of Anshan Iron and Steel, the "cradle of China's steel industry", and then constructed Wuhan Iron and Steel, Baotou Iron and Steel, Taiyuan Iron and Steel, Panzhihua Iron and Steel, Baoshan Iron and Steel, etc. It has successively undertaken the planning, survey, design and construction projects of the main production facilities of almost all large and medium-sized steel enterprises in China, and is the founder of building the "steel frame" of New China. Thus, it has accumulated and formed an excellent inheritance characterized by fearlessness of hardships, forging ahead, unity and struggle, and courage to fight, which has become a huge spiritual wealth of the Company. The Company anchors the Goals for "one building, two most, five strong", and guides all cadres and employees to move forward in the same direction with simplicity and honesty, responsibility, integrity and courage to strive for excellence, bursting out new vitality again. The excellent corporate culture formed and accumulated in this process is the Company's unique winning formula and a strong spiritual force for the long-term development of the foundation, and has become an important part of the Company's core competitiveness.

III. OPERATION RESULT DISCUSSION AND ANALYSIS

(I) Overview of Operations and Management during the Reporting Period

In the first half of 2026, centring firmly on its strategic positioning as "International Leader in Metallurgical Construction and National Pioneer in the Two New Construction", the Company forged ahead with resolve and delivered solid results. Adhering to the principle of driving industrial innovation through scientific and technological innovation, the Company coordinated progress across various undertakings including market expansion, operation and management, organisational development, reform and growth. Overcoming difficulties and forging ahead with determination, the Company maintained an overall stable development momentum featuring steady improvement in quality and demonstrated strong development resilience.

First, the Company's operational quality has been improved continuously. The financial structure was continuously optimised. As at the end of June, the asset-liability ratio stood at 77.1%, representing a decrease of 1.04 percentage points as compared to the beginning of the year. The cash collection ratio on operating revenue reached 105.3%, representing an increase of 18.9 percentage points year-on-year. Interest-bearing debt decreased by RMB48.8 billion year-on-year, representing a decrease of 37.9%. During the Reporting Period, the Company maintained an AAA credit rating for its onshore entities and debt instruments. Offshore, it has secured investment-grade international credit ratings from four rating agencies (Moody's, S&P, Fitch and CCXAP). The Company's capacity for sustainable operation has been continuously strengthened.

Second, the Company's business structure was continuously optimised. During the Reporting Period, the Company further advanced the "Five-Five Plan" strategy. The proportions of newly signed contract value from core businesses and industrial construction in the Company's total newly signed contract value rose by 4.8 and 2.4 percentage points respectively year-on-year, and the contract structure continued to improve. The "head-to-head" cooperation mechanism yielded initial outcomes, with marketing priority and concentration continuously improved. The Company has joined hands with well-known companies in the industry to create the "city partner" brand profile, and interconnectedly explored the market for digital transformation of production lines. The foundation of overseas business remained stable. The value of newly signed overseas contracts amounted to RMB36.85 billion, of which newly signed contracts for core businesses accounted for nearly 70%. Breakthroughs were achieved for major projects across multiple areas with successive implementation of such projects, continuously building up growth drivers for the Company's transformation and development.

Third, the Company's project management and control was steadily strengthened. Standardised project construction was further implemented. The Engineering Project Management Manual was applied in full coverage, and the Commercial Management Manual was comprehensively promoted. The cumulative settled amount exceeded the half-year target. Full-cycle management of project construction periods was strengthened. The Guiding Opinions on Project Construction Period Management was issued and implemented. The "three-level plan management and three-level node control" mechanism was adopted to advance on-time project delivery and efficient contract performance, and to reduce costs and improve benefits via progress management and control. The overseas engineering management system was continuously improved. The Measures for Overseas Engineering Project Management were formulated to accelerate the establishment of integrated management and control of domestic and overseas projects.

Fourth, remarkable achievements were made in scientific and technological innovation. Efforts on technological research were intensified, and major breakthroughs were achieved in a number of core projects. The first domestically-developed all-localised hydrogen-based shaft furnace hot direct reduction iron pneumatic conveying technology and equipment independently developed by the Company were successfully put into operation on the near-zero carbon production line at Baosteel Zhanjiang, breaking foreign technological monopolies. The self-developed pilot prototype for ultra-high temperature electric heating of hydrogen-rich coal gas realised stable heating of coal gas at 1,200℃. A ten-thousand-tonne production line for in-situ/cold-state dephosphorisation and iron recovery of steel slag was completed. During the Reporting Period, the Company was awarded 25 Metallurgical Science and Technology Awards for 2026 (including 5 first awards) and 2 China Patent Excellence Awards. A total of 1,381 new invention patents were granted to the Company. The Company accelerated the industrialisation of scientific and technological achievements and formulated the MCC Industrialisation Plan for Major Scientific and Technological Achievements in 2026 (《中國中冶2026年度重大科技成果產業化計劃》), providing technical reserves for subsequent industrial application.

Fifth, in-depth progress was achieved in reform and transformation. The Company further optimised headquarters functions and enhanced governance capacity, streamlined the headquarters decision-making list and cut decision-making items by 23% in aggregate, effectively shortening the decision-making cycle and speeding up market response. The Company accelerated reform and empowerment of subsidiaries, and effectively strengthened the financial strength and market risk resilience of subsidiaries. The Company also promoted a number of subsidiaries to accelerate integrated development expanding from ferrous metal business to non-ferrous metal and mining sectors. The Company issued the Work Guidelines for the Special Campaign of the "Management Improvement Year" (《「管理提升年」專項行動工作指引》) and formulated the Benchmarking, Diagnosis and Improvement List (《對標診斷提升清單》) covering 348 key priorities for management improvement to ensure the orderly implementation of all management improvement tasks. Standout results were achieved in reform and transformation. In the special assessment for the "Science and Technology Reform (科改)" and "Double Hundred Action (雙百)", the Company attained its best-ever performance with 5 benchmark ratings and 3 excellent ratings, laying a more solid foundation and generating stronger momentum for the Company's reform and development.

(II) Main Businesses by Industry

1. *Core Businesses – Metallurgical Engineering, Non-ferrous Metal and Mining Engineering*

During the Reporting Period, the Company accelerated the extension of its integrated advantages across the entire metallurgical engineering construction industry chain to non-ferrous engineering and mining engineering sectors. It developed three industrial chains covering metallurgical engineering, non-ferrous engineering and mining engineering, and continuously strengthened its core supporting function of "supplying core technologies and equipment for the global metal industry". From January to June, the newly signed contract value of the Company's core businesses amounted to RMB104.03 billion, accounting for 25.1% of total newly signed contracts value, and representing an increase of 4.8 percentage points compared with the previous year; including RMB61.72 billion for metallurgical engineering and RMB42.31 billion for non-ferrous metal and mining engineering. Revenue from the core business amounted to RMB37.8 billion, accounting for 21.4% of total revenue, and its proportion of the Company's total operating revenue increased by 4.8 percentage points as compared with the previous year. Of which, revenue from the mining engineering business stood at RMB4.11 billion, representing an increase of 32.6% compared with the same period last year.

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

During the Reporting Period, the first set of wholly domestically developed hydrogen-based vertical furnace hot direct reduction iron pneumatic conveying technology and equipment, independently researched and developed by the Company, was successfully commissioned at the near-zero-carbon production line of Baosteel Zhanjiang Iron & Steel, breaking the foreign technological monopoly and injecting strong momentum into the green, intelligent and high-quality development of China's iron and steel industry. In the overseas market, the Company successfully signed the agreement for the Khoemacau Copper Mine Expansion in Botswana, laying an important foundation for the Company to further establish its presence in the Southern African market and build an overseas mining brand.

The operating revenues of each segment for the core business of the Company and the proportion accounting for the total income of the core business are as follows:

Unit: RMB'000

Items of revenue	**January – June 2026**		**January – June 2025**	
	Amount	**Proportion (%)**	**Amount**	**Proportion (%)**
Metallurgical engineering	31,579,228	83.54	33,479,321	84.05
Non-ferrous engineering	2,109,584	5.58	3,253,619	8.17
Mining engineering	4,111,332	10.88	3,100,936	7.78

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

No.	**Name of Project (Contract)**	**Contract Amount** *(RMB100 million)*
Domestic Projects		
1	EPC, Engineering General Contracting Project for Mining Exploitation and Mineral Products Processing Services of Fulin Construction Sandstone Mine, Wangbu Village, Longhu Town, Wanxiu District, Wuzhou City (梧州市萬秀區龍湖鎮旺步村富林建築用砂岩礦EPC、礦山開採及礦產品加工服務總承包項目)	47.0
2	Open-pit Mining Project of Kurgaksayi Iron Mine, Qinghe County, Xinjiang (新疆青河縣庫爾尕克薩依鐵礦露天採礦項目)	15.2
3	EPC General Contract for 2 Million Tons Per Annum Coking Production Resumption Project of Yingkou Dafeng Coking Co., Ltd. (營口達豐焦化有限公司年產200萬噸焦化複產項目EPC總承包工程合同)	11.1
4	Shaft and Tunnel Engineering Contract for 5 Million Tons Mining and Processing Project of Dangba Spodumene Mine, Ma Er Kang Jinxin Mining Co., Ltd. (馬爾康金鑫礦業有限公司黨壩鋰輝石礦500萬噸採選工程項目井巷工程合同)	8.9
5	EPC General Contract for the Newly-built Ironmaking Project of Shanxi Jingang New Materials Technology Co., Ltd. (山西晉鋼新材料科技有限公司新建煉鐵項目EPC總承包)	5.0
Overseas Projects		
1	Mining Services Agreement for Khoemacau Copper Mine Expansion Project, Botswana (博茨瓦納科馬考銅礦擴建項目採礦服務協議)	46.73
2	Supply and Construction Contract for Brownfield Revamp of Gas Purification Section 2.3, Qarmet, Kazakhstan (哈薩克斯坦Qarmet煤氣淨化2.3工段棕地改造項目供貨及施工合同)	3.82

2. *Main Businesses – Industrial Construction and Infrastructure Construction*

The Company firmly grasps the two main business segments of industrial construction and urban renewal, focuses on emerging tracks including electronic manufacturing plants, new energy and data centres to capture market share, actively integrates into the national strategic layout for the development of the "Six Networks", deepens innovation in the commercial model of urban renewal, and unlocks market potential through policy dividends. During the Reporting Period, the Company further explored core local markets of its subsidiaries, shortened operational radius and improved marketing performance. Meanwhile, it focused on key regions in economically strong provinces and strengthened targeted marketing. The newly signed contract value for industrial construction and infrastructure businesses totalled RMB256.00 billion, of which newly signed contract value for industrial construction stood at RMB63.46 billion and that for infrastructure reached RMB192.54 billion. Orders from economically vibrant regions registered steady growth. Operating income of RMB119.08 billion was achieved in main businesses.

The operating revenues of industrial construction and infrastructure construction of the Company and the proportion accounting for the total revenue of main business are as follows:

Unit: RMB'000

Items of revenue	January – June 2026		January – June 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Industrial construction business	17,877,523	15.01	21,628,523	12.86
Infrastructure construction business	101,199,480	84.99	146,571,010	87.14

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

No.	Name of Project (Contract)	Contract Amount *(RMB100 million)*
Domestic Projects		
1	Tangshan Jingtang Smart Port Science and Technology Innovation Demonstration Park Urban Renewal Project (唐山京唐智慧港科創示範園城市更新項目)	125.4
2	Engineering Drawing Design and Engineering General Contracting for Reconstruction Plot 02 (Lezhu Area) under the Urban Village Renovation Project of Liantang Economic Cooperative, Huocun Community, Yunpu Subdistrict, Huangpu District, Guangzhou City (廣州市黃埔區雲埔街火村社區蓮潭經濟合作社城中村改造項目(簕竹片區)複建02地塊施工圖設計及施工總承包合同)	20.5
3	EPCO Project for Urban Renewal of Bowang District (Gaochao River Area), Ma'anshan City – Infrastructure Weaknesses Remediation and Quality Improvement Project for Gaochao River Area, Bowang District, Ma'anshan City (馬鞍山市博望區城市更新項目(高潮河片區) EPCO – 馬鞍山市博望區高潮河片區基礎設施補短板、品質提升項目)	19.6
4	Contract for Smart Oasis Intelligent Innovation Center (智慧綠洲智創中心合同)	16.7
5	Phase I of the Dongsheng Hexin 3D Integrated Chip Manufacturing Project, Shanghai (上海市東盛合芯三維芯片集成製造(一期)項目)	16.5
6	EPC General Contract for Auto Parts Project of Jingmen Lingtou Intelligent Technology Co., Ltd. (荊門市領投智能科技有限公司汽車零部件項目EPC總承包合同)	14.7

No.	Name of Project (Contract)	Contract Amount *(RMB100 million)*
7	Engineering General Contracting for Commercial, Residential and Supporting Works of TOD Plot at Longhu High School Affiliated Station, East Guangdong Intercity Railway (粵東城際鐵路龍湖附中站TOD地塊商住及配套工程項目工程總承包)	12.9
8	Engineering General Contracting for Second Bidding Section of the Xiong'an Qingteng Town Project in the Start-up Area (雄安起步區青藤小鎮項目二標段施工總承包合同)	11.9
9	Qianjian Guoke Innovative Medical Devices Industrial Base Project, Shanghai (上海市千健國科創新醫療器械產業基地項目)	9.9
10	Construction General Contracting Works for Plot No.2, Phase III under Zitong Palace Station TOD Comprehensive Development Project, Chengdu (成都市梓潼宮站TOD綜合開發項目三期2號地塊施工總承包工程標段)	8.2
Overseas Projects		
1	Steel Structure Subcontract Project for the Electric Vehicle Supplier Park (ASP) in Saudi Arabia (沙特電動汽車供應商園區(ASP)鋼結構分包項目)	11.4
2	China-aid Malawi Judicial Complex Project (援馬拉維司法綜合體項目)	4.6
3	General Construction Works (Section 2) for Painting and Welding Workshops of Chery Malaysia CKD Factory, 2025 (2025年奇瑞馬來西亞CKD工廠塗裝、焊裝車間施工總承包工程(二標段))	3.5
4	Wet-process Lithium Battery Separator (Phase I) Project at Indonesia IPM (印尼IPM濕法鋰電池隔離膜一期項目)	3.2

3. *Featured Business*

The Company keeps targeting differentiated tracks and vigorously fosters the competitive strengths of the five featured business segments, namely engineering services, new-type materials, high-end equipment, energy and environmental protection, and digital-intelligent application, so as to drive the optimisation and upgrading of business structure. During the Reporting Period, the five featured businesses steadily expanded market reach with a further increase in the proportion of high-value-added projects. Each business segment leverages industrial chain synergy advantages to deliver integrated comprehensive solutions for sectors including steel, non-ferrous metals and new energy, continuously builds up technological barriers, hedges against cyclical fluctuations in traditional construction businesses, consistently strengthens core competitiveness in niche segments and improves profitability. During the Reporting Period, the Company further deepened and materialised AI-digital-intelligent integration, promoted and implemented the Work Plan for the Special Action on Production-line Digital-Intelligent Upgrade of MCC (《中國中冶產綫數智化提升專項行動工作方案》), and provided technical support for the intelligent, green and integrated development of metallurgical and mining enterprises. The intelligent factory project of Minmetals Copper built by the Company was officially put into operation. Integrating remote operation, intelligent analysis and scheduling, and AI-assisted decision-making, the project covers multiple self-developed technologies; the coke oven lining workstation and construction method based on articulated robots, developed by the Company, have been successfully implemented in a coal coking project, significantly enhancing the level of intelligent construction.

As at the end of the Reporting Period, the newly-signed contract value of the Company's featured businesses amounted to RMB47.71 billion. Featured business generated operating revenue of RMB20.02 billion, accounting for 11.3% of total operating revenue, representing an increase of 2.1 percentage points compared with the previous year. Of which, revenue from the digital-intelligent application business stood at RMB500 million, representing a year-on-year increase of 17.1%; whilst revenue from the supervision services segment within engineering services stood at RMB900 million, representing a year-on-year increase of 16.5%.

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

Unit: RMB'000

Items of revenue	January – June 2026		January – June 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Engineering services	5,252,608	26.24	5,424,584	24.47
New materials	742,579	3.71	845,540	3.81
High-end equipment	4,802,227	23.99	5,514,571	24.88
Energy and environmental protection	8,722,640	43.57	9,954,931	44.91
Digital and intelligent applications	499,685	2.49	426,867	1.93

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

No.	Name of Project (Contract)	Contract Amount *(RMB100 million)*
1	Integrated Project of Vanadium-Titanium Energy Storage New Materials and Energy Storage Batteries (Phase I) in Chifeng, Inner Mongolia (內蒙古赤峰釩鈦儲能新材料及儲能電池一體化項目(一期))	18.0
2	245 MW Wind Power Project, Weixian, Hebei (河北威縣245MW風電項目)	9.2
3	Comprehensive Water Environment Treatment Project, Xiaoxian, Suzhou (宿州市蕭縣水環境綜合治理工程)	8.0
4	Supervision Contract for the National Medical Centre, Fangshan Branch of Xuanwu Hospital, Capital Medical University (首都醫科大學宣武醫院房山院區國家醫學中心監理合同)	0.2
5	Whole-process Consultancy Service Contract for Clusters 1, 2, 3, and 4 of the Wisdom Valley Campus, Chongqing University (重慶大學智谷校區一組團、二組團、三組團、四組團項目全過程諮詢服務合同)	0.2
6	Acceptance Contract for Quality Consistency of Chemical-protection Products (防化產品質量一致性驗收合同)	0.1

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

☐ Applicable ☑ Not applicable

IV. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD

(I) Analysis on Major Operating Business

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

Unit: RMB'000

Items	Amount for the current year	Amount for the prior year	Change in proportion (%)
Operating revenue	175,906,562	237,532,712	-25.94
Operating costs	158,664,357	213,563,935	-25.71
Selling expenses	1,101,224	1,304,083	-15.56
Administrative expenses	4,781,975	5,332,722	-10.33
Financial expenses	629,360	753,800	-16.51
Research and development expenses	4,703,901	6,734,970	-30.16
Net cash flow generated from operating activities	(22,800,957)	(21,984,978)	Not applicable
Net cash flow generated from investing activities	22,516,273	(604,529)	Not applicable
Net cash flow generated from financing activities	(9,819,321)	24,740,292	-139.69

Explanation of the reasons for the change in operating income: Mainly due to the Company's proactive optimization of project structure, refocus on its core business and concentration on profitable and cash flow-generating operations.

Explanation of the reasons for the change in operating cost: Mainly due to the Company's alignment with project structure adjustment and operational efficiency optimization, as well as the strengthened cost control measures.

Explanation of the reasons for the change in selling expenses: Mainly due to the decrease in selling expenses, including sales service fees and business development expenses.

Explanation of the reasons for the change in administrative expenses: Mainly due to the disposal of relevant subsidiaries at the end of 2025 and the decrease in administrative expenses such as travel and office expenses.

Explanation of the reasons for the change in financial expenses: Mainly due to the disposal of relevant subsidiaries at the end of 2025 and the decrease in financial expenses resulting from the decrease in interest-bearing debt.

Explanation of the reasons for the change in research and development expenses: Mainly due to the decrease in R&D investment during the year.

Explanation of the reasons for the change in net cash flow generated from operating activities: Remained broadly flat compared with the previous year.

Explanation of the reasons for the change in net cash flow generated from investing activities: Mainly due to the receipt of proceeds from the disposal of relevant entities at the end of 2025 during the first half of the year.

Explanation of the reasons for the change in net cash flow generated from financing activities: Mainly due to the recovery of significant funds, resulting in reduced financing needs, together with the repayment of a portion of interest-bearing debt.

2. *Analysis on revenue and costs*

(1) *Major business by segment and region*

1) Major business by segment

Unit: RMB'000

Major Business by Segment

Segments	Operating revenue	Operating costs	Gross margin *(%)*	Increase or decrease in the operating revenue as compared to last year *(%)*	Increase or decrease in the operating costs as compared to last year *(%)*	Increase or decrease in the gross profit margin as compared to last year *(%)*
Core business	37,800,144	34,521,020	8.67	-5.11	-4.08	Decreased by 0.98 percentage point
Main business	119,077,003	107,877,373	9.41	-29.20	-29.26	Increased by 0.08 percentage point
Featured business	20,019,739	17,187,040	14.15	-9.68	-8.66	Decreased by 0.96 percentage point

Major Business by Region

Regions	Operating revenue	Operating costs	Gross margin *(%)*	Increase or decrease in the operating revenue as compared to last year *(%)*	Increase or decrease in the operating costs as compared to last year *(%)*	Increase or decrease in the gross profit margin as compared to last year *(%)*
PRC	159,332,161	143,841,707	9.72	-28.57	-28.50	-0.09
Other countries/regions	16,574,401	14,822,650	10.57	14.46	19.69	-3.91

Note: The segment revenue and cost are data without offsetting inter-segment transactions.

① Core business

Core business includes metallurgical construction business and mining engineering business. The gross profit margins of the core business in the first half of 2026 and 2025 were 8.67% and 9.65%, respectively, with a year-on-year decrease of 0.98 percentage point.

② Main business

Main business includes industrial construction and infrastructure construction. Among these, infrastructure construction business is the Company's traditional main business, while industrial construction business is the Company's important business. Main 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 main business in the first half of 2026 and 2025 were 9.41% and 9.33%, respectively, with a year-on-year increase of 0.08 percentage points.

③ Featured business

Featured business includes engineering services business, new materials business, high-end equipment business, energy and environmental protection business and digital and intelligent applications business. The overall gross profit margins of the featured business in the first half of 2026 and 2025 were 14.15% and 15.11%, respectively, with a year-on-year decrease of 0.96 percentage point.

2) Explanation on Major Business by Region

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

(2) Costs analysis

Unit: RMB'000

Segment	Costs component items	Amount for the current period	Proportion of the amount for the current period to the total costs *(%)*	Amount for the same period in the previous year	Proportion of the amount for the same period in the previous year to the total cost *(%)*	Percentage change in the amount for the current period as compared to that for same period in the previous year *(%)*
Core business	Operating costs	34,521,020	21.63	35,991,116	16.69	-4.08
Main business	Operating costs	107,877,373	67.60	152,502,372	70.70	-29.26
Featured business	Operating costs	17,187,040	10.77	18,817,443	8.72	-8.66

Note: The segment cost are data without offsetting inter-segment transactions.

The major components of costs of main business of the Company were as follows:

Unit: RMB'000

Items of costs	January – June 2026 Amount	Proportion (%)	January – June 2025 Amount	Proportion (%)
Subcontracting expenses	64,712,414	59.99	93,734,862	61.46
Materials expenses	27,537,448	25.53	39,358,197	25.81
Labour costs	6,102,320	5.66	7,513,466	4.93
Machinery usage fees	2,396,582	2.22	2,986,763	1.96
Others	7,128,609	6.60	8,909,084	5.84
Total engineering cost	107,877,373	100.00	152,502,372	100.00

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

(3) *Information on major customers and major suppliers*

The sales of top five customers amounted to RMB16,315,971 thousand, accounting for 9.28% of the total sales during the Reporting Period; among them, related-party sales included in the sales of the top five customers amounted to RMB2,165,334 thousand, accounting for 1.23% of the total sales during the Reporting Period.

Unit: RMB'000

Customer's name	Operating revenue	Proportion of the total operating revenue (%)
China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司)	9,663,775	5.49
China Minmetals Corporation (中國五礦集團有限公司)	2,165,334	1.23
HBIS Group Co., Ltd. (河鋼集團有限公司)	1,551,108	0.88
Yunnan Yuxi Yukun Iron and Steel Group Co., Ltd. (雲南玉溪玉昆鋼鐵集團有限公司)	1,526,519	0.87
PT.FENIHALTIM	1,409,235	0.81
Total	16,315,971	9.28

The procurement of top five suppliers amounted to RMB5,901,243 thousand, accounting for 3.73% of the total procurement during the Reporting Period; of which, the procurement from related parties under the procurement of top five suppliers amounted to RMB2,580,876 thousand, accounting for 1.63% of the total procurement during the Reporting Period.

Unit: RMB'000

Supplier name	Procurement volume in current period	Proportion of the total operating costs (%)
China Minmetals Corporation (中國五礦集團有限公司)	2,580,876	1.63
Contemporary Brunp Lygend Co., Ltd. (寧波普勤時代有限公司)	1,129,058	0.71
Anhui Hongxiang Building Materials Co., Ltd. (安徽鴻翔建材有限公司)	851,145	0.54
China Baowu Steel Group Corporation (中國寶武鋼鐵集團有限公司)	741,984	0.47
Guangdong Construction Engineering Group Co., Ltd.(廣東省建築工程集團股份有限公司)	598,180	0.38
Total	5,901,243	3.73

3. *Analysis on expenses*

1) *Selling expenses*

The Company's selling expenses mainly include employees compensation costs, travelling expenses and sale services expenses. In the first half of 2026 and 2025, the Company's selling expenses were RMB1,101,224 thousand and RMB1,304,083 thousand, respectively, representing a year-on-year decrease of 15.56%, which was mainly attributable to the decrease in the Company's selling expenses, such as selling service fees and business development fees.

(2) *Administrative expenses*

The Company's administrative expenses mainly include employee compensation costs, depreciation expenses and domestic travelling expenses. In the first half of 2026 and 2025, the Company's administrative expenses were RMB4,781,975 thousand and RMB5,332,722 thousand, respectively, representing a year-on-year decrease of 10.33%, which was mainly attributable to the decrease in administration expenses such as labour costs and lease expenses.

(3) *Financial expenses*

The Company's financial expenses include costs of borrowing, exchange gains or losses, and bank charges incurred in the course of business. In the first half of 2026 and 2025, the Company's financial expenses were RMB629,360 thousand and RMB753,800 thousand, respectively, representing a year-on-year decrease of 16.51%, which was mainly attributable to the year-on-year decrease in interest expenses.

(4) *Research and development expenses*

The Company's research and development expenses include personnel labour costs, direct input costs, depreciation expenses and equipment commissioning expenses and experimentation expenses. In the first half of 2026 and 2025, the Company's research and development expenses were RMB4,703,901 thousand and RMB6,734,970 thousand respectively, representing a year-on-year decrease of 30.16%, which was mainly attributable to the decrease in R&D inputs in the current year.

4. *Research and development expenditure*

Unit: RMB'000

Expensed research and development expenditure for the current period	4,703,901
Capitalized research and development expenditure for the current period	–
Total research and development expenditure	4,703,901
Proportion of total research and development expenditure to operating revenue (%)	2.67
Proportion of capitalized research and development expenditure (%)	–

5. *Cash Flow*

The cash flows of the Company are as follows:

Unit: RMB'000

Item	January – June 2026	January – June 2025
Net cash flow from operating activities	(22,800,957)	(21,984,978)
Net cash flow from investing activities	22,516,273	(604,529)
Net cash flow from financing activities	(9,819,321)	24,740,292

(1) Operating activities

In the first half of 2026 and 2025, the Company's net cash flow generated from operating activities amounted to RMB-22,800,957 thousand and RMB-21,984,978 thousand, respectively. In January to June 2026 and 2025, the cash inflows generated from operating activities was mainly arise from the cash received from the sale of goods and the rendering of services, accounting for 95.88% and 96.58%, respectively with respect to the cash inflow generated from operating activities. The Company's cash outflows generated from operating activities was mainly consisted of cash payments for goods purchased and services received, cash payments to and on behalf of employees and payments of various types of taxes. In the first half of 2026 and 2025, such cash outflow accounted for 88.65%, 6.39%, 2.26% and 86.64%, 6.12%, 3.25%, respectively with respect to the cash outflow generated from operating activities.

(2) Investing activities

In the first half of 2026 and 2025, the Company's net cash flow generated from investing activities amounted to RMB22,516,273 thousand and RMB-604,529 thousand. The cash inflows generated from investing activities of the Company were mainly derived from cash received from the disposal of subsidiaries and other business organisations, as well as cash received from the disposal of fixed assets, intangible assets and other long-term assets, which accounted for 97.21%, 0.62% and 3.00%, 2.26% of the cash inflow generated from investing activities in the first half of 2026 and 2025, respectively. The Company's cash outflows mainly included cash payments to acquire or construct fixed assets, intangible assets and other long-term assets, as well as cash paid for investment. In the first half of 2026 and 2025, such cash outflow accounted for 47.37%, 38.05% and 35.82%, 62.65%, respectively with respect to the cash outflow generated from investing activities.

(3) *Financing activities*

In the first half of 2026 and 2025, the Company's net cash flow generated from financing activities amounted to RMB-9,819,321 thousand and RMB24,740,292 thousand, respectively. The Company's cash inflow from financing activities mainly consisted of cash receipts from borrowings which accounted for 98.26% and 86.21% of the cash inflow generated from financing activities for the first half of 2026 and 2025, respectively. The Company's cash outflow from financing activities mainly consisted of cash repayments of borrowings. In the first half of 2026 and 2025, such cash outflow accounted for 76.78% and 79.07%, respectively with respect to the cash outflow generated from financing activities.

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

☐ Applicable ☑ Not applicable

(III) Analysis on Assets and Liabilities

1. *Status of Assets and Liabilities*

Unit: RMB'000

Items	Amount at the end of the current period	Percentage of total assets at the end of the current period (%)	Amount at the end of the period of previous year	Percentage of total assets at the end of the period of previous year (%)	Proportion change in the amount at the end of the current period as compared to that at the end of the period of previous year (%)
Current assets	606,345,022	75.15	639,634,797	76.19	-5.20
Cash and bank balances	68,081,477	8.44	77,764,883	9.26	-12.45
Accounts receivable	238,598,546	29.57	243,437,020	29.00	-1.99
Inventories	16,275,106	2.02	15,687,453	1.87	3.75
Contract assets	201,261,931	24.95	189,499,733	22.57	6.21
Non-current assets	200,449,329	24.85	199,853,885	23.81	0.30
Intangible assets	27,664,510	3.43	26,597,565	3.17	4.01
Total assets	**806,794,351**	**100.00**	**839,488,682**	**100.00**	**-3.89**
Current liabilities	568,030,281	91.33	606,414,578	92.45	-6.33
Short-term borrowings	20,476,444	3.29	22,127,213	3.37	-7.46
Bills payable	26,470,793	4.26	25,608,315	3.90	3.37
Accounts payable	376,271,683	60.50	396,600,873	60.46	-5.13
Contract liabilities	51,101,691	8.22	56,137,036	8.56	-8.97
Non-current liabilities	53,892,057	8.67	49,514,666	7.55	8.84
Long-term borrowings	45,993,649	7.40	41,446,692	6.32	10.97
Total liabilities	**621,922,338**	**100.00**	**655,929,244**	**100.00**	**-5.18**

(1) *Analysis on the structure of assets*

Cash and bank balances

As at 30 June 2026 and 31 December 2025, the balances of cash and bank balances of the Company were RMB68,081,477 thousand and RMB77,764,883 thousand, respectively, representing a decrease of 12.45% as compared with the beginning of the year.

As at 30 June 2026 and 31 December 2025, the restricted cash and bank balances of the Company were RMB8,885,857 thousand and RMB8,278,623 thousand, respectively, which accounted for 13.05% and 10.65% of the cash and bank balances, respectively. The restricted cash and bank balances mainly included bank deposits for issuing acceptance bills, guarantee deposits, frozen funds for lawsuit, project supervision funds and wage deposits for rural migrant workers, etc.

Accounts receivable

As at 30 June 2026 and 31 December 2025, the carrying value of the Company's accounts receivable were RMB238,598,546 thousand and RMB243,437,020 thousand, respectively, representing a decrease of 1.99% as compared with the beginning of the year, which was mainly due to a decrease in accounts receivable related to engineering contracting services.

Inventories

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

As at 30 June 2026 and 31 December 2025, the Company's net inventories were RMB16,275,106 thousand and RMB15,687,453 thousand, respectively, representing an increase of 3.75% as compared with the beginning of the year.

Contract assets

Contract assets of the Company are mainly completed and unsettled inventories and construction quality guarantee deposits with regard to the engineering contracting service contracts. As at 30 June 2026 and 31 December 2025, the net contract assets of the Company amounted to RMB201,261,931 thousand and RMB189,499,733 thousand, respectively, representing an increase of 6.21% as compared with the beginning of the year, which was mainly due to an increase in contract assets related to engineering contracting services.

Intangible assets

As at 30 June 2026 and 31 December 2025, the aggregated carrying value of the Company's intangible assets were RMB27,664,510 thousand and RMB26,597,565 thousand, respectively, representing an increase of 4.01% as compared with the beginning of the year. The Company's intangible assets mainly included land use rights, franchise right, patent and proprietary technology, as well as mining rights etc.

(2) *Analysis on the structure of liabilities*

Long-term and short-term borrowings

Long-term and short-term borrowings of the Company mainly consisted of credit loans, pledge loans and guaranteed loans from commercial banks and other financial organizations. As at 30 June 2026 and 31 December 2025, the carrying value of the Company's short-term borrowings were RMB20,476,444 thousand and RMB22,127,213 thousand, respectively, representing a decrease of 7.46% as compared with the beginning of the year. As at 30 June 2026 and 31 December 2025, the carrying value of the Company's long-term borrowings were RMB45,993,649 thousand and RMB41,446,692 thousand, respectively, representing an increase of 10.97% as compared with the beginning of the year.

During the Reporting Period, the short-term borrowings and long-term borrowings repaid by the Company amounted to RMB23,026,899 thousand and RMB10,805,832 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 RMB17,571,567 thousand and RMB14,875,723 thousand, respectively.

Accounts payable

Accounts payable mainly consisted of material costs payable to suppliers and engineering costs payable to subcontractors by the Company. As at 30 June 2026 and 31 December 2025, the Company's carrying value of accounts payable were RMB376,271,683 thousand and RMB396,600,873 thousand, respectively, representing a decrease of 5.13% as compared with the beginning of the year.

Contract liabilities

Contract liabilities mainly consisted of contract liabilities related to engineering contracting services and sales contracts. As at 30 June 2026 and 31 December 2025, the Company's carrying value of contract liabilities amounted to RMB51,101,691 thousand and RMB56,137,036 thousand, respectively, representing a decrease of 8.97% as compared with the beginning of the year.

2. *Status of Overseas Assets*

Overseas assets were RMB25,227,327 thousand, accounting for 3.13% of total assets.

3. *Restrictions on Major Assets as of the End of the Reporting Period*

For details, please refer to Note VII 24 to Section IX "Financial Statements" of this report.

(IV) Investment Analysis

1. *Overall Analysis on External Equity Investments*

As at 30 June 2026 and 31 December 2025, the net assets of the Company's trading financial assets were RMB1,754 thousand and RMB2,030 thousand, respectively, representing a decrease of 13.56% compared to the beginning of the year. As at 30 June 2026 and 31 December 2025, the net long-term equity investments of the Company were RMB41,323,023 thousand and RMB40,731,505 thousand, respectively, representing an increase of 1.45% compared to the beginning of the year. As at 30 June 2026 and 31 December 2025, the net investment in other equity instruments of the Company amounted to RMB1,540,953 thousand and RMB1,789,413 thousand, respectively, representing a decrease of 13.89% as compared to the beginning of the year. As at 30 June 2026 and 31 December 2025, the Company's other net investment in non-current financial assets amounted to RMB4,367,271 thousand and RMB4,373,896 thousand, respectively, representing a decrease of 0.15% as compared with the beginning of the year.

2. *Significant Equity Investments*

☐ Applicable ☑ Not applicable

3. *Significant Non-equity Investments*

☐ Applicable ☑ Not applicable

4. *Financial Assets Measured at Fair Value*

Securities investments

Unit: RMB'000

Stock variety	Stock code	Stock abbreviation	Initial investment amount	Carrying amount at the beginning of the period	Profit or loss arising from changes in fair value for the current period	Cumulative fair value change included in equity	Amount of new purchase for the current period	Amount of disposal for the current period	Investment profit or loss for the current period	Carrying amount at the end of the period	Account category
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	185	126	-27	–	–	–	–	99	Financial assets held for trading
Shares	600515	Hainan Airport (海南機場)	264	444	-216	–	–	–	–	228	Financial assets held for trading
Shares	600221	Hainan Airlines Holding (海航控股)	206	200	-32	–	–	–	–	168	Financial assets held for trading
Shares	000709	Hesteel (河鋼股份)	4,600	4,382	–	-702	–	–	–	3,680	Investments in other equity instruments
Shares	601328	Bank of Communications (交通銀行)	86,192	301,618	–	-33,743	–	–	–	267,875	Investments in other equity instruments
Shares	000939	Kaidi Ecological (凱迪生態)	2,502	–	–	–	–	–	–	–	Investments in other equity instruments
Shares	000005	Fountain (世紀星源)	420	75	–	-15	–	–	–	60	Investments in other equity instruments
Shares	600665	Tande (天地源)	1,122	520	–	-62	–	–	–	458	Investments in other equity instruments
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	171,568	70,494		-14,485	–			56,009	Investments in other equity instruments

Derivative investments

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

On 29 June 2026, the 2025 annual general meeting of the Company considered and approved the proposal in relation to the financial derivatives business plan of MCC for the year 2026. It approved that the total volume of financial derivatives business to be carried out by MCC in 2026 shall not exceed USD2.062 billion (including the equivalent amount in foreign currency), with a validity period of no more than 12 months from the date of approval by the General meeting of the Company. (For details, please refer to the relevant announcements disclosed by the Company on 30 March 2026 and 29 June 2026). The Company's financial derivatives business in 2026 is not subject to hedge accounting. For details of risk management, please refer to the table below:

Accounting policies and specific principles of accounting for hedging operations during the Reporting Period, as well as an explanation of whether there have been any significant changes compared with the previous Reporting Period	No significant changes have occurred.
Explanation of actual gain or loss during the Reporting Period	The Company conducts foreign exchange forward and currency swap businesses strictly in accordance with the hedging principle. The scale of foreign exchange hedging is determined based on the actual demand for foreign exchange-denominated businesses. Gains and losses arising from foreign exchange hedging transactions are offset against changes in the value of their corresponding assets.
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. Performance risk: the choice from the counterparty is unreasonable, and the counterparty is unable to pay corresponding amount as agreed upon at the time of the maturity and delivery of foreign exchange hedging business.

4. Internal control risk: foreign exchange hedging business is relatively professional and sophisticated, which may result in loss in the process of foreign exchange funds due to operational errors, systems and other reasons.

5. Compliance risk: subject to regulatory penalties, economic losses and negative impact on the Company's reputation for its failure to comply with policies, regulations and company systems.

(II) Risk Control Measures

1. For market risk, the Company intends to take the following measures: First, the foreign exchange hedging business to be undertaken by the Company are all foreign exchange forwards, simple exchange rate options, interest rate swaps and currency swaps products conducted for the purpose of hedging which are closely related to the actual business, and do not involve speculative arbitrage. Transaction gains and losses are also hedged against changes in the value of their corresponding risk assets; secondly, we strengthened research and analysis of exchange rates, paid attention to changes in the market environment both at home and abroad, and adjusted our operating strategies in a timely manner in conjunction with changes in the market; thirdly, following the signing of the foreign exchange contract, we followed up on the market in a timely manner for dynamic management, and set up a risk early warning line based on the transaction program. We regularly check the transaction situation with all counterparties, analyse and assess the possible risks and take prompt countermeasures.

2. For liquidity risk, the Company intends to take the following measures: First, the foreign exchange hedging 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: first, the counterparties of the foreign exchange hedging 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; second, 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 hedging, 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 hedging business, and ensure the separation, constraint and supervision of incompatible positions for foreign exchange hedging business; thirdly, the Company prohibits one person from processing the whole process of foreign exchange hedging 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 hedging 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: first, the Company concludes contracts with counterparties in compliance with the Civil Code of the People's Republic of China and relevant laws and regulations; second, the legal compliance department shall conduct compliance audits of foreign exchange contracts; and third, third-party legal advisers or experts shall be consulted for the conclusion of major foreign exchange contracts.
Changes in the market price or product fair value of invested derivatives during the Reporting Period, the analysis of the fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters	The Company conducted foreign exchange forward and currency swap business with caution for the purpose of hedging, and the market price fluctuated according to the exchange rate of Renminbi against the U. S. dollar during the Reporting Period.
Involvement in litigation (if applicable)	Not applicable

Date of disclosure of the announcement of the Board for approval of derivative investment (if any)	30 March 2026
Date of disclosure of the announcement of the General meeting for approval of derivative investment (if any)	29 June 2026

(2) Derivative Investments for Speculative Purposes during the Reporting Period

☐ Applicable ☑ Not applicable

(V) Disposal of Material Assets and Equity

☐ Applicable ☑ Not applicable

(VI) Analysis on Holding Company and Joint Stock Company

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

Unit: RMB'000

Name of company	Type of company	Nature of business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shanghai Baoye Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	5,777,850	86,809,742	15,214,497	20,219,078	412,048	415,122
China MCC 5 Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	5,384,134	94,560,477	18,460,745	22,388,509	500,540	395,768
China MCC 22 Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	3,393,281	48,198,717	8,123,433	12,532,667	433,556	366,583
China Metallurgical Construction Engineering Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	2,449,054	40,227,811	8,444,547	10,915,355	382,342	329,995
CISDI Group Co., Ltd.	Subsidiary	EPC	2,800,000	22,378,526	7,197,830	7,769,304	284,431	282,063
WISDRI Engineering & Research Incorporation Limited	Subsidiary	EPC	3,350,000	29,409,117	10,667,138	11,956,641	356,358	268,495
China First Metallurgical Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	2,417,727	62,426,649	9,660,412	12,371,245	303,717	260,949
MCC Capital Engineering & Research Incorporation Limited	Subsidiary	EPC	3,283,104	27,009,715	5,878,775	7,320,820	274,646	230,793
China MCC 17 Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	2,050,000	75,567,402	11,086,620	9,492,898	300,204	219,171
MCC Ecological Environmental Protection Group Co., Ltd.	Subsidiary	Water resource management etc.	3,000,000	7,769,818	4,896,207	759,088	184,191	155,066
China Huaye Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	1,821,652	18,423,358	3,729,379	4,926,773	301,368	144,821
MCC Communication Construction Group Co., Ltd.	Subsidiary	Infrastructure contracting	9,312,258	35,906,750	8,523,068	3,012,886	134,936	125,978
MCC TianGong Group Corporation Limited	Subsidiary	Engineering contracting, etc.	3,871,000	43,104,218	5,217,089	7,748,092	153,810	111,266
WSGRI Engineering & Surveying Incorporation Limited	Subsidiary	Investigation, design	1,000,000	4,824,897	1,519,025	1,072,784	103,416	92,377

Name of company	Type of company	Nature of business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Zhongye Changtian International Engineering Co., Ltd.	Subsidiary	EPC	677,301	6,371,629	3,063,419	2,662,258	97,569	70,599
ACRE Coking & Refractory Engineering Consulting Corporation, MCC	Subsidiary	EPC	1,296,600	8,402,530	2,656,896	2,150,648	47,158	67,240
China MCC 19 Group Corp. Ltd.	Subsidiary	Engineering contracting, etc.	3,910,999	35,886,084	6,812,861	4,830,538	90,769	62,090
MCC (Shanghai) Steel Structure Technology China Co., Ltd.	Subsidiary	Steel structure installation, EPC etc.	1,000,000	7,216,707	1,350,235	1,950,814	46,362	37,265
China Second Metallurgical Group Corporation Limited	Subsidiary	Engineering contracting, etc.	2,304,961	37,590,105	3,636,072	4,432,495	249	8,898
Huatian Engineering & Technology Corporation, MCC	Subsidiary	EPC	823,259	10,313,523	2,528,348	1,648,938	8,335	8,296

2. *Acquisition and Disposal of Subsidiaries During the Reporting Period*

☐ Applicable ☑ Not applicable

(VII) Structured Entities Controlled by the Company

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

V. OTHER DISCLOSURE EVENTS

(I) Possible Risks and Measures Adopted by the Company

1. *Risks Associated with Macro-economy*

The global economy is expected to continue a moderate growth trajectory, though there are many uncertainties. Domestically, the long-term favourable conditions and fundamental trends, such as a solid economic foundation, numerous strengths, strong resilience, and significant potential, remain unchanged.

The Company will continue to adhere to the general working principle of seeking progress while maintaining stability, closely focus on the business system of "One Core, Two Main Bodies and Five Features (一核心兩主體五特色)", closely monitor and conduct in-depth analysis of macro-economic policies and industry development trends, prudently assess and proactively respond to internal and external risks, and counter the uncertainties stemming from changes in the external environment with the certainty of high-quality development.

2. *Risks Associated with Market Competitiveness*

The construction industry has bid farewell to the incremental dividends brought by the real-estate sector. The market focus has shifted to urban renewal, the development of the "Six Networks Construction" and overseas expansion. The industry has transitioned from scale-driven expansion to a new stage featuring risk control as well as quality and efficiency improvement, placing higher requirements on construction enterprises to enhance their core competitiveness. In response to the new landscape of industry transformation and upgrading, the Company will prioritize specialized, refined, digital, and green development, continue to optimize the "One Core, Two Main Bodies and Five Features (一核心兩主體五特色)" business system, enhance the capabilities for differentiated development and comprehensive services, and build sustainable core competitiveness.

3. *Risks Associated with International Operations*

The Company has business footprints across multiple countries and regions. Its business activities are subject to the combined impacts of multiple external factors including regional political situations, economic environments, social structures, legal systems, religions and cultures. Against the backdrop of intensifying geopolitical conflicts globally, tightening global compliance-supervision standards and deteriorating security situations in some regions, the Company may face greater difficulties in securing overseas project contracts, narrower profit margins, as well as delays in construction schedules, cost overruns and impeded capital recovery for ongoing projects. These may ultimately weigh on the revenue and profit levels of the Company's overseas businesses.

To effectively mitigate the aforesaid risks, on the one hand, the Company will optimise the top-level design for its overseas businesses. It will consolidate the operational foundation of overseas businesses by improving the internal control and management mechanisms for overseas operations, optimising overseas deployment, enhancing the support system for overseas-based personnel, and advancing the in-depth localised operation of overseas institutions. On the other hand, the Company will strengthen risk management for overseas businesses. It will formulate special response guidelines covering core risks such as the safety of overseas-based personnel, compliance-driven operations and public-sentiment incident response. The Company will prioritise projects with favourable contractual terms, strengthen full-cycle dynamic supervision over ongoing projects, and continuously review and summarise experience gained from international operations, so as to strive to reduce the risk exposure of its international businesses.

4. *Environmental and Safety Production Risks*

As a construction and production-oriented enterprise, subsidiaries of the Company and projects in progress are widely dispersed, bringing considerable challenges to ecological and environmental management. During construction and production activities, factors including unsafe human behaviours, potential hazards of equipment and facilities, on-site environmental risks and management oversights may trigger safety accidents, resulting in adverse impacts such as casualties, economic losses and damage to corporate reputation.

To effectively prevent and defuse the aforesaid environmental and work-safety risks, the Company strictly complies with relevant national laws, regulations and industry standards, fully implements the primary responsibilities for work safety and environmental protection, continuously improves the institutional system for energy conservation and environmental protection, strengthens daily supervision and control, and proactively implements various pollution-prevention measures. Meanwhile, the Company will continuously raise the risk-prevention awareness of all employees, further optimise the safety-management system, enforce the responsibility for on-site inspections by leading management personnel, deepen the identification and rectification of potential safety hazards, rigorously regulate the whole-process safety control over subcontracting teams, and strictly implement accident accountability mechanisms. The Company will make every effort to prevent and resolutely curb the occurrence of major-level and above safety accidents.

5. Data Fraud or Theft Risks

To strictly safeguard state secrets, protect commercial secrets, and consolidate the defence line for national security and corporate operational security, the Company has established a relatively complete confidentiality-management system and institutional framework. The Company conducts regular confidentiality publicity and education in various forms to continuously strengthen employees' awareness of confidentiality obligations. Comprehensive inspections and special supervisory audits are organised every year to examine the confidentiality work of subsidiaries. By means of interviews, review of institutional documents and on-site verification, the Company comprehensively inspects the operation of the confidentiality-management system of subsidiaries and promptly pushes forward rectification and implementation for identified issues. The Company uniformly deploys domestic-manufactured classified computers, continuously updates security protection systems, and adopts dedicated-person full-time management. It strictly enforces the requirement that "classified information shall not be accessed via internet-connected devices and internet-connected devices shall not process classified information", and prohibits the transmission, storage and processing of classified information via the internet.

During the Reporting Period, the Company experienced no incidents of data fraud or theft.

6. Cyber Risk and Security

To effectively prevent and control cybersecurity risks, the Company has established a cybersecurity management system and emergency response plans in accordance with relevant national cybersecurity laws, regulations, and institutional requirements, and continuously promotes the optimization and upgrading of its cybersecurity protection system. The Company implements data classification and grading protection, strengthens the security of core systems; conducts 24/7 cybersecurity monitoring and threat warning, performs routine vulnerability scanning and remediation, and regularly carries out inspections and emergency drills; strengthens cybersecurity management for suppliers and partner enterprises to control supply chain risks; enhances the cybersecurity awareness of all employees through cybersecurity publicity and training. Simultaneously, the Company will explore new risk mitigation mechanisms, promote the intelligentization of cybersecurity operations, and make every effort to ensure the smooth and secure operation of the Company's network.

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

To effectively safeguard Shareholders' rights and interests, boost investor confidence, and further stabilise and enhance the Company's value, the Company continued to implement A Share and H Share repurchases during the Reporting Period. As at 30 June 2026, the Company repurchased 85,731,626 A Shares through the Shanghai Stock Exchange system by way of centralised bidding trading. The repurchased A Shares accounted for 0.4143% of the Company's total share capital (after cancellation of repurchased H Shares). The highest transaction price was RMB3.25 per share and the lowest transaction price was RMB2.78 per share, with a total transaction amount of RMB259,434,135.42 (excluding transaction costs). By way of on-market repurchase (centralised bidding) through the Hong Kong Stock Exchange's trading system, the Company repurchased 32,000,000 H Shares, representing 0.1544% of the Company's total share capital (before cancellation). The highest transaction price was HK$1.94 per share and the lowest transaction price was HK$1.49 per share, with a total transaction amount of HK$55,450,100.30 (excluding transaction costs). The aforesaid repurchased H Shares were fully cancelled on 2 June 2026. Going forward, the Company will continue to push forward the share repurchase work, so as to effectively improve earnings per share and shareholder returns. Meanwhile, the Company will conduct regular investor communication, fully convey the Company's value and consolidate long-term market investment confidence.

Save for the above-mentioned repurchase matters and those disclosed under the section "Bond-related Matters" below, neither the Company nor its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares, as defined under the Hong Kong Listing Rules) during the Reporting Period. As at the end of the Reporting Period, the Company held no treasury shares, and held 85,731,626 repurchased A Shares that have not yet been cancelled; and the Company had repurchased 32,000,000 H shares, all of which were cancelled on 2 June 2026.

(III) Implementation of the Special Action Plan of "Quality, Efficiency and Returns Enhancement"

The Company actively responded to the SSE's Initiative on Carrying out the Special Action Plan of "Quality, Efficiency and Returns Enhancement" for Companies Listed on the Shanghai Stock Exchange, and in April 2026, formulated and released the Action Plan of "Quality, Efficiency and Returns Enhancement", taking concrete actions to fulfil its responsibility for high-quality development and enhancing its own investment value.

First, guided by the "15th Five-Year Plan", the Company further advanced the layout of the business system of "One Core, Two Main Bodies and Five Features (一核心兩主體五特色)", namely "taking metallurgical construction as the core, industrial construction and infrastructure construction as the two main bodies, and engineering services, new materials, high-end equipment, energy and environmental protection, as well as digital and intelligent applications as the five featured businesses", accelerated the pace of corporate re-transformation and upgrading, and continuously enhanced the Company's core competitiveness. In the first half of the year, the Company recorded newly-signed contracts of RMB413.64 billion. The proportions of newly signed contract value from core businesses and industrial construction in the Company's total newly signed contract value rose by 4.8 and 2.4 percentage points respectively year-on-year. Remarkable results have been achieved in business structure adjustment, with further improvement in the concentration of principal businesses.

Second, the Company will continue to scale up the layout of science-technology-oriented industries, further accelerate the industrialisation of major scientific and technological achievements, make key plans in fields including metallurgical construction, urban renewal, energy and environmental protection, new-type materials and digital-intelligent applications, accelerate the incubation and cultivation of industrialisation projects of scientific and technological achievements with promising application prospects, and foster new growth engines.

Third, the Company will actively carry out share repurchases and cash dividends to effectively safeguard shareholders' rights and interests. During the Reporting Period, the Company launched the A-share and H-share repurchase programmes to proactively convey its confidence in development to the capital market. As of the disclosure date of this report, the Company had repurchased 181,683,707 A Shares and 33,815,000 H Shares (other than the cancelled shares), with the total repurchase amount exceeding RMB600 million. Meanwhile, the 2025 annual general meeting of the Company has authorised the Board to formulate and implement the 2026 interim dividend proposal on the premise that the conditions for interim dividend distribution are satisfied, laying a foundation for steady returns in the future.

Fourth, the Company will keep building a diversified investor communication system. Relying on regular communication carriers such as the official website, new-media matrix, dedicated hotline and email, the Company will simultaneously and orderly conduct special exchange activities including General meetings, performance briefings, investor roadshows and reverse roadshows. It will engage with various types of investors at multi-levels and in an all-round manner. Through regular in-depth interactions, the Company will continuously deepen the capital market's understanding of its business development and core competitiveness, build market consensus on corporate value, and help the intrinsic value of the Company be reflected objectively and fairly in the capital market.

Fifth, the Company will continuously enhance standardised operation and corporate governance standards. In strict compliance with the latest requirements of the Code of Corporate Governance for Listed Companies issued by the China Securities Regulatory Commission, the Company has formulated and disclosed the Measures for the Remuneration Management of Directors and Senior Management and the annual remuneration proposal, so as to further improve the incentive and restraint mechanisms of the Company.

(IV) Application of Proceeds from Asset Disposal and Connected Party Transactions

As approved at the 80th meeting of the Company's third Board of Directors and the first extraordinary general meeting in 2025, the Company (including its subsidiary, China Huaye) entered into the Equity Transfer Agreements with Minmetals Land Holdings and China Minmetals in December 2025, respectively. Pursuant to these agreements, the Company transferred its entire 100% equity interest in MCC Real Estate along with related creditor's rights, the 100% equity interests in Non-ferrous Engineering, MCC Tongsin Resources, MCC Ramu and MCC Duddar, as well as 67.02% equity interest in MCC-JJJ Mining (for details, please refer to relevant announcements disclosed by the Company on 8 December 2025 and 29 December 2025).

As of the disclosure date of this report, with the exception of the equity transfer concerning MCC Duddar, the full consideration for the transfer of all other subject assets has been received. To further optimise the development of the Company's diversified business system of "One Core, Two Main Bodies and Five Features (一核心兩主體五特色)", during the Reporting Period, the Company utilized the proceeds generated from the aforesaid transactions, systematically supported its subsidiaries in advancing the development of advanced research platforms, upgrading equipment-manufacturing capabilities, improving the overall scientific-research system and strengthening capital strength through capital increase and other approaches; the Company supported the mines of relevant subsidiaries in achieving transformation towards integrated construction and operation as well as green and intelligent development, and accelerated mine equipment upgrading, quality-driven transformation of principal businesses and resource coordination for key projects, promoted the iterative upgrading of traditional businesses, and continuously fostered new profit growth drivers for the Company, providing industrial support for the Company's long-term transformation and development.

Section V. Corporate Governance and Other Information

I. CORPORATE GOVERNANCE AND GOVERNANCE OF THE COMPANY

During the Reporting Period, the Company continued to strictly follow the relevant laws and regulations, including the Company Law, Securities Law, and the regulations of securities regulatory authorities, while further strengthening the governance system and standard operations of the Company. As an important part of the corporate governance structure, the Board of Directors gives full play to its duties of "setting strategies, making decisions and preventing risks". Centring on six dimensions including scientific framework building, rational decision-making, efficient operation, team building, competency enhancement and cultural guidance, the Board continuously improves governance effectiveness. Faced with a complex and volatile market environment, the Board of Directors seizes development opportunities with a strategic vision, makes scientific business layout, vigorously promotes reform and innovation, firmly holds the risk bottom line, and effectively safeguards the steady development of the Company.

Each General meeting and Board meeting is convened in accordance with the relevant requirements of the Company Law and the Articles of Association. During the Reporting Period, the Company convened 3 General meetings, 6 Board meetings, and 10 meetings of special committees of the Board.

The Company has adopted the Model Code as the code governing the dealings in the Company's securities by the Directors. Having made specific enquiries with all the Directors, the Company is of the view that all Directors fully complied with the Model Code and requirements set out thereof during the six months ended 30 June 2026.

During the Reporting Period, save for code provision B.2.2 of the Corporate Governance Code, the Company strictly adhered to the principles and provisions outlined in the Corporate Governance Code and, where applicable, adopted the recommended best practices. In accordance with the code provision B.2.2 of the Corporate Governance Code, each Director shall retire by rotation at least once every three years. The term of the third session of the Board has exceeded three years. In accordance with the Articles of Association, members of the third session of the Board shall continue to perform duties until the establishment of the fourth session of the Board. The Company established its fourth session of the Board on 13 August 2026. The Company will continue to review and monitor its corporate governance practice to ensure compliance with the latest measures and standards set out in the Corporate Governance Code.

During the Reporting Period, due to important official duties, three independent non-executive Directors did not attend the first extraordinary general meeting of 2026 held by the Company on 16 January 2026, independent non-executive Directors Mr. Ng, Kar Ling Johnny and Ms. Zhou Guoping did not attend the 2026 second extraordinary general meeting of the Company held on 8 May 2026, and independent non-executive Directors Mr. Liu Li and Mr. Ng, Kar Ling Johnny did not attend the Company's 2025 annual general meeting held on 29 June 2026. The Board considers that the absent independent non-executive Directors had reviewed the meeting documents in advance and thoroughly, fully understood the contents of all proposals. The Company's daily operations and management are fully handled by the executive Directors and the management team. Therefore, such temporary absence does not have a material adverse impact on the corporate governance of the Company.

II. CHANGES OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

During the Reporting Period, changes in Directors and senior management of the Company were as follows:

Name	Position	Change	Reasons for Change
Li Zhongze	Chairman and Executive Director	Elected	As required by work
Chen Jianguang	Chairman and Executive Director	Resigned	Work re-adjustment
Chen Yang	Executive Director and President	Elected	As required by work
Ng, Kar Ling Johnny	Independent Non-executive Director	Resigned	Having served as the Independent Non-executive Director of the Company for six consecutive years
Wang Bo	Vice president	Appointed	As required by work
Bai Xiaohu	Vice president	Resigned	Work re-adjustment
Zeng Jianzhong	Vice president	Resigned	Retirement

Explanation on changes of Directors and senior management of the Company

On 30 March 2026, the Board received the written resignation report from Mr. Zeng Jianzhong, the vice president. Having reached the statutory retirement age, Mr. Zeng Jianzhong resigned from his position as vice president of the Company. Upon his resignation, Mr. Zeng Jianzhong will no longer hold any position in the Company. His resignation shall take effect upon the date of delivery of the resignation report to the Board. On the same day, the Company convened the 83rd meeting of the third session of the Board of Directors, and approved the appointment of Mr. Wang Bo as vice president of the Company. His term of office shall commence on the date of approval by the Board and expire upon the appointment of the new senior management by the next Board (for details, please refer to the relevant announcement disclosed by the Company on 30 March 2026).

On 16 April 2026, the Board of the Company received the written resignation report from Mr. Bai Xiaohu, executive Director and vice president. Due to work re-adjustment, Mr. Bai Xiaohu resigned from his position as the vice president of the Company. Following his resignation, Mr. Bai Xiaohu will remain as an Executive Director of the Company. His resignation shall take effect upon the date of delivery of the resignation report to the Board.

On 16 April 2026, the Company convened the 84th meeting of the third session of the Board of Directors, at which the Board approved the nomination of Mr. Li Zhongze and Mr. Chen Yang as candidates for Executive Directors of the Company and approved the appointment of Mr. Chen Yang as President of the Company. His term of office shall commence on the date of adoption at this Board meeting and expire upon the appointment of the new-term senior management by the next Board (for details, please refer to the relevant announcement disclosed by the Company on 16 April 2026.)

On 29 April 2026, the Board of the Company received the written resignation report from Mr. Ng, Kar Ling Johnny, Independent Non-executive Director. Having served as the Company's Independent Non-executive Director for six consecutive years, Mr. Ng, Kar Ling Johnny tendered his resignation to the Board from the offices of Independent Non-executive Director, chairman of the Audit Committee and member of the Sustainable Development Committee in accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies and the Articles of Association. Upon the effectiveness of his resignation, Mr. Ng, Kar Ling Johnny will no longer hold any position in the Company (for details, please refer to the relevant announcement disclosed by the Company on 29 April 2026).

On 8 May 2026, the Board of the Company received the written resignation report from Mr. Chen Jianguang, chairman. Due to work re-adjustment, Mr. Chen Jianguang resigned from his positions as chairman, Executive Director, chairman of the Strategy Committee and member of the Nomination Committee of the Company. Upon his resignation, Mr. Chen Jianguang will no longer hold any position in the Company. On the same day, the Company convened the second extraordinary general meeting of 2026, at which Mr. Li Zhongze and Mr. Chen Yang were elected as executive Directors of the third session of the Board of the Company; the Company convened the 86th meeting of the third session of the Board, at which Mr. Li Zhongze was elected as the chairman of the third session of the Board of the Company, with his term of office commencing from the date of election at this Board meeting and ending on the date on which the fourth session of the Board is formed (for details, please refer to the relevant announcement of the Company published on 8 May 2026).

On 13 August 2026, the Company convened the third extraordinary general meeting of 2026, at which the non-employee representative Directors of the fourth session of the Board were elected, namely: Mr. Li Zhongze and Mr. Chen Yang as executive Directors; Mr. Zhang Shuqiang, Mr. Peng Haiqing and Mr. Peng Peng as non-executive Directors; and Ms. Zhou Guoping, Mr. Chen Shenghua and Mr. Ng Kit Chong as independent non-executive Directors. Together with Mr. Yan Aizhong, who was elected as the employee representative Director by the employees' representative meeting, they formed the fourth session of the Board of the Company. The term of office of the fourth session of the Board shall commence from the date of approval by this General meeting and end on the date on which the next session of the Board is formed. On the same day, the Company held the first meeting of the fourth session of the Board, at which Mr. Li Zhongze was elected as the chairman of the Board for a term, commencing from the date of election at this Board meeting and expiring on the date on which the next session of the Board is formed. Mr. Chen Yang was appointed as the president of the Company; Mr. Zhu Guangxia, Mr. Dong Su, Mr. Xiao Peng and Mr. Wang Bo were appointed as vice presidents; Mr. Dong Su was appointed as the chief accountant (chief financial officer); and Mr. Chang Qi was appointed as the secretary to the Board, and joint company secretary, commencing from the date of approval by this Board meeting and ending on the date when the new senior management is appointed by the next session of the Board (for details, please refer to the relevant announcement of the Company dated 13 August 2026).

III. PROPOSALS FOR PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE

The proposed half-year profit distribution plan and the plan for capitalisation of capital reserves

Any distribution or transfer	No
Number of bonus shares for every 10 shares (share(s))	0
Dividend per every 10 shares (RMB) (tax-inclusive)	0
Number of capitalised shares for every 10 shares (share(s))	0

Description in respect of proposals for profit distribution and transfer of capital reserve

On 29 June 2026, the 2025 annual general meeting of the Company considered and approved the proposal in relation to the interim dividend for the year 2026. Pursuant to the interim dividend plan, the Company proposes to distribute an interim dividend if the conditions for the interim dividend are satisfied. The total amount of the interim dividend shall not exceed the consolidated net profit attributable to Shareholders of the listed company of MCC for the first half of 2026 (RMB2,326,127 thousand) and the undistributed profits of the parent company of MCC as at the end of June 2026 (RMB1,736,247 thousand). The specific plan of interim dividend for the year 2026 and its implementation arrangements will be rolled out in due course during the current year.

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

(I) Relevant Equity Incentive Events Disclosed in Interim Announcements without Further Development or Change in Subsequent Implementation

☐ Applicable ☑ Not Applicable

(II) Incentive Events not Disclosed in Interim Announcements or with Subsequent Progress

Equity incentives

☐ Applicable ☑ Not Applicable

Employee stock ownership plan

☐ Applicable ☑ Not Applicable

Other incentives measures

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

V. REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee has reviewed the unaudited interim results of the Company for the six months ended 30 June 2026. The committee was of the opinion that the unaudited interim results for the six months ended 30 June 2026 had been in compliance with the applicable accounting principles as well as laws and regulations, and proper disclosures had been made.

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

Number of enterprises included in the list of enterprises required to disclose environmental information according to the law (Unit)	40

No.	Company name	Index for querying environmental information disclosure reports according to the law
1	CISDI Equipment Co., Ltd.	http://219.152.238.198:20041/eps/index/enterprise-more?code=91500116787457556K&uniqueCode=6ebbb00527c4c1df&date=2025&type=true&isSearch=true
2	MCC-SFRE Heavy Industry Equipment Co., Ltd	http://113.140.66.227:11077/#/noLogin/qymd?key=%E4%B8%AD%E5%86%B6%E9%99%95%E5%8E%8B
3	WISDRI Handan Wupeng Furnace Lining New Material Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpId=6A291F56-1B22-4475-A7B4-39A42D3E9287&year=2025&reportId=b4e4a40e-a240-473f-a484-76521af5ac18&isWeb=%E5%90%A6
4	MCC Group (Chengdu) Steel Structure Technology Co., Ltd.	https://103.203.219.138:8082/eps/index/enterprise-more?code=91510185MA65YPMQ92&uniqueCode=f6c0ae10ab7fad5f&date=2024&type=true&isSearch=true
5	MCC (Shanghai) Steel Structure Technology Corp., Ltd.	https://e2.sthj.sh.gov.cn/jsp/view/hjpl/index.jsp
6	Laian MCC Huatian Water Affairs Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&entpId=20251742863777399&type=1

No.	Company name	Index for querying environmental information disclosure reports according to the law
7	Laian MCC Huatian Water Affairs Co., Ltd. (Chahe Sewage Treatment Plant)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&%28%E6%B1%8A%E6%B2%B3%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%29&entpId=20251742863806746&type=1
8	Tianchang MCC Water Affairs Co., Ltd. (Yangcun Town Sewage Treatment Plant in Tianchang City)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1% E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%28%E5%A 4%A9%E9%95%BF%E5%B8%82%E6%9D%A8%E6%9D%91%E9%95%87%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpId=20251742868732773&type=1
9	Tianchang MCC Water Affairs Co., Ltd. (Tianchang Economic Development Zone Wastewater Treatment Plant)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/searchPage?keyWord=天長市中冶水務有限公司&hy=%5B%5D
10	Tianchang MCC Water Affairs Co., Ltd. (Tianchang Wastewater Treatment Plant)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E5%A4%A9%E9%95%BF%E5%B8%82%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpId=20251742866890662&type=1
11	Tianchang MCC Water Affairs Co., Ltd. (Tongcheng Town Sewage Treatment Plant in Tianchang City)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%28%E5%A4%A9%E9%95%BF%E5%B8%82%E9%93%9C%E5%9F%8E%E9%95%87%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpId=20251742866968408&type=1
12	Tianchang MCC Water Affairs Co., Ltd. (Qinlan Town Sewage Treatment Plant in Tianchang City)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/searchPage?keyWord=天長市中冶水務有限公司&hy=%5B%5D
13	Chuzhou MCC Huatian Water Affairs Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/searchPage?keyWord=滁州市中冶水務有限公司&hy=%5B%5D
14	Ma'anshan MCC Water Service Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/searchPage?keyWord=馬鞍山市中冶水務有限公司&hy=%5B%5D
15	Dingyuan MCC Water Affairs Co., Ltd. (Dingyuan Maqiao Sewage Treatment Plant)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/searchPage?keyWord=定遠縣中冶水務有限公司&hy=%5B%6D
16	Qinhuangdao Funing MCC Water Service Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpId=A8B1F7CD-221A-4B5C-BD26-D7F37573CD61&year=2025
17	MCC Qinhuangdao Water Affairs Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpId=38EC06FA-EE07-410F-9124-CC2A40D1CB87&year=2025
18	Xinglong MCC Water Affairs Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpId=7E85DDAF-6051-43DA-AB51-E87668412659&year=2025

No.	Company name	Index for querying environmental information disclosure reports according to the law
19	Shouguang MCC Water Affairs Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/ openEnterpriseDetails?comDetailFrom=0&id=91370783797337187J
20	Shouguang Chengbei MCC Water Affairs Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/ openEnterpriseDetails?comDetailFrom=0&id=9137078369314062XQ
21	Fuzhou Changle District MCC Water Affairs Co., Ltd.	http://220.160.52.213:10053/idp-province/#/enterprise-overview?enterName=%E 7%A6%8F%E5%B7%9E%E5%B8%82%E9%95%BF%E4%B9%90%E5%8C%BA% E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90 %E5%85%AC%E5%8F%B8&ifYearReport=0&ifTempReport=0
22	Baoxie Wastewater Treatment Plant of MCC Wuhan Water Affairs Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=e3bd3374- 55df-4c06-87be-197fe493e159&XH=1677832883597009895936&year=2025
23	Zuoling Wastewater Treatment Plant of MCC Wuhan Water Affairs Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=d0303187- 8627-4531-9df4-f15452992412&XH=1677832879700009895936&year=2025
24	MCC Water Affairs (Macheng) Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home /enterpriseInfo?XTXH=c094f202-eb4d-4aaa-9e6b-35d5fb 17ddaad465bb71-1103-4532-a89a-4fb2f46ada3c&XH=16777505081500092446721743650 772545026173440&year=2025
25	MCC Water Affairs (Zhuxi) Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/ enterpriseInfo?XTXH=b0302333-0f30-41e2-8b08-b565b66809275 f96a6f0-7041-4846-bdb9-1e931c9d5723&XH=16826775151 600293355521677750508150009244672&year=2025
26	Huangshi MCC Water Affairs Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/ home/enterpriseInfo?XTXH=099b00cc-a308-491c-84d3-de931 e8a80b73724ceb7-a4b0-4d00-9213-8a556804f5a6&XH=167775006491800 92446721682677515160029335552&year=2025
27	Beijing Zhongshe Water Treatment Co., Ltd.	https://hjxxpl.bevoice.com.cn:8002/home
28	Lanzhou Zhongtou Water Service Co., Ltd.	https://zwfw.sthj.gansu.gov.cn/revealPubVue/#/ homediscloseDetail?name=%E5%85%B0%E5%B7% 9E%E4%B8%AD%E6%8A%95%E6%B0%B4%E5%8A%A1%E6% 9C%89%E9%99%90%E5%85%AC%E5%8F%B8&pkId=7EA7B023B93747588EB783BB087 AF79E&xxplid=XXPL02026070214280691620 100681545590R&pllx=0
29	Changzhou ENFI Water Affairs Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp//web/viewRunner. html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fspsarchive-webapp% 2F%2Fweb%2Fsps%2Fviews%2FyfpI%2Fviews%2FyfpIEntInfo%2Findex.js &versionId=BFEE7A5A813C4A48844603363E517603&spCode=32041202 02010185&validate=CN31_QFJyYJAh9JbCR5JhicDbgL4usU_bMjyiQkXGz lZsb_KWmxrNmHfgnsDutXPobiLuHAIM0jqTMNZ2WhIpeqG0AyArAyTMLv 1mkO8wefncJFO4fRgifWZ2T2eTMicdJiEbYKnITv1Ez.OrnhLerftB68UaMs0 RUZbaHu0R2stDlPEJF15I6Ouf4NUFvRf_FkFWd.UAVve.1*lJFVSz3._z5_fDO lQgJ9uczqXSJ0Xsj84v9.sAvEvYHfJ_ZvTZ_2tk24PZrh8Sy1EriTyyjscZpfVnN BjeTrkJ5_Nctwk_LNO3qZuYWhZTHN8sxXk.6pKqS9Rf4fVhvzLzWnptPeIuE OFVF2JgzaUYkOsQ5HcH8Kqw6c1Au5YiFrLjYhqFS5L3sAGphdBYRNaMJn dkjP5cBT8WMEy4JrT3_RcSZRbJZy419O6uNn.fioQBeDfq3WFXBS4Dv8Uu dA*PbWiQ85dYOUsKLFPmLJ8UoOTTtBjRKAGvKpEUNuROmfZueh0h_8Z4 zuKR9M77_v_i_1&year=2025

No.	Company name	Index for querying environmental information disclosure reports according to the law
30	Xiaogan Zhongshe Water Service Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=fc602c0a-30e3-4ffa-bad0-54e7ab4f83e6&XH=1677750565854009244672&year=2025
31	No.1 Wastewater Treatment Plant of Sewage Branch of Wenxian Zhongtou Water Service Co., Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410825MA40GH3X7A002Q
32	No.2 Wastewater Treatment Plant of Sewage Branch of Wenxian Zhongtou Water Service Co., Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410825MA40GH3X7A001V
33	Wuzhi Zhongshe Water Affairs Co., Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410823MA47R8800W001V
34	Pingyuan Zhongshe Water Affairs Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?id=91371426MA3RED9G75&comDetailFrom=0
35	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (West Plant)	http://121.29.48.71:8080/#/fill/detail?enpId=4F968816-F9EA-477E-A01A-FD3172BFEBF7&year=2024&reportId=c7d2f05c-e0db-413f-8fa6-e254bf3cc6cd
36	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (East Plant)	http://121.29.48.71:8080/#/fill/detail?enpId=C7FA0CA4-9AA0-45CD-8CAB-1603D92975FE&year=2024&reportId=c35f05ac-9fab-4d84-a176-cce076604414
37	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (Development Zone Plant)	http://121.29.48.71:8080/#/fill/detail?enpId=8F0140D2-2792-4B75-8836-356F92AE0250&year=2024&reportId=3330d5f9-51f6-4f19-a93e-490531111a73
38	Zhuozhou Zhongshe Water Treatment Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpId=26B18B2D-1F69-4039-A70B-433AF9BD2AE5&year=2024&reportId=02143fdb-50ba-4836-9421-172904a797a2
39	No.2 Wastewater Treatment Plant of MCC Huatian (Laian) Water Environment Investment Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E5%8D%8E%E5%A4%A9%E6%B0%B4%E7%8E%AF%E5%A2%83%E6%8A%95%E8%B5%84%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E7%AC%AC%E4%BA%8C%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpId=20251742863835237&type=1
40	Laian Chemical Industry Park Wastewater Treatment Plant of MCC Huatian (Laian) Water Environment Investment Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E5%8D%8E%E5%A4%A9%E6%B0%B4%E7%8E%AF%E5%A2%83%E6%8A%95%E8%B5%84%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%20%EF%BC%88%E6%9D%A5%E5%AE%89%E5%8E%BF%E5%8C%96%E5%B7%A5%E5%9B%AD%E5%8C%BA%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpId=20251742864147598&type=1

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

In the first half of 2026, the Company thoroughly studied and implemented General Secretary Xi Jinping's important instructions on agriculture, rural areas and farmers ("Three-Rural Issues") and comprehensively advancing rural revitalisation. It firmly upheld the bottom line of preventing large-scale return to poverty. By co-ordinating resources, adopting targeted policies and taking targeted measures, the Company solidly promoted the effective alignment between consolidating and expanding the achievements of poverty alleviation and rural revitalisation in designated assisted counties, and completed various phased assistance tasks.

(I) Allocation of Assistance Funds

During the Reporting Period, the Company provided RMB18 million in gratuitous assistance funds for designated assistance and paired-support programmes. Of which, RMB6 million was disbursed to Dejiang County for four industrial revitalisation projects, one cultural revitalisation project and one talent revitalisation project; RMB6.7 million was disbursed to Yanhe County for four industrial revitalisation projects, one ecological revitalisation project, one cultural revitalisation project and one talent revitalisation project; and RMB5.3 million was allocated to Panzhihua Technician College to carry out the "Mining Heart" vocational education plan. Specifically, 89 students from the 2024 cohort and 137 students from the 2025 cohort were funded, with plans to recruit 150 new students for the 2026 cohort across 7 counties.

(II) Research Activities

From 8 to 10 July 2026, Mr. Yan Aizhong, employee representative Director of the Company, conducted an on-site inspection of our assistance projects in Dejiang and Yanhe counties in Guizhou and completed the assessment of seconded local cadres.

Furthermore, during the Reporting Period, a subsidiary of the Company set up an inspection team to visit Dejiang County and Yanhe County to carry out a special inspection of assistance and support projects and funds during the 14th Five-Year Plan period. The inspection found that, since the start of the 14th Five-Year Plan period, the assistance projects implemented by the Company in Dejiang County and Yanhe County have been progressing in an orderly manner, with overall compliance in fund utilisation, notable effectiveness in linking and benefiting farmers, and continuous improvement in people's livelihoods. Significant results have been achieved in fulfilling key rural revitalisation tasks and addressing the urgent and pressing needs of the local population.

(III) Consumption Assistance

The Company has extensively mobilised trade unions at all levels to actively participate in consumption assistance. In the first half of 2026, the Company directly purchased agricultural products from 7 designated poverty alleviation counties amounting to RMB4.2815 million, purchased agricultural products from other poverty-stricken areas totalling RMB2.3383 million, helped sell agricultural products from the 7 designated poverty alleviation counties amounting to RMB492,600, and helped sell agricultural products from other areas lifted out of poverty for RMB589,600.

(IV) Innovations in Assistance Work

CISDI, a subsidiary of the Company, has tailored its support to the agricultural development of the designated poverty alleviation counties. Based on local conditions, it has planned support industries and broadened sales channels, establishing a full industrial chain cluster for "local specialties" of the poverty alleviation counties, covering research and development, production, processing, storage and transportation, sales, branding, experience and services. Meanwhile, relying on its proprietary e-commerce platform "Yinong Yuanxuan", it keeps exploring new sustainable-development models for rural industrial revitalisation in formerly poverty-stricken areas, opening up critical channels for agricultural products to flow from villages to cities and facilitating efficient market access for high-quality local farm produce. In the first half of 2026, Leibo County, a county under paired assistance of the Central Commission for Discipline Inspection and the National Supervisory Commission, was newly brought under the assistance scope. A dedicated section for premium agricultural products of Leibo County has been set up on the "Yinong Yuanxuan" e-commerce platform, with 14 special-featured products listed. Special-session promotion and other activities have been organised to inject sustained impetus into rural revitalisation.

Zhongye Changtian, another subsidiary of the Company, focuses on the long-term sustainable development of Fushou Village in Shuangfeng County by developing featured industries and consolidating the foundation for income growth. First, a people-benefiting photovoltaic initiative has been implemented. A 200 kW village-level photovoltaic power generation project was fully completed and attained grid-connection readiness in the first half of 2026. Upon official commissioning, the project is expected to generate a steady additional annual income of RMB80,000 for the village collective and provide long-term stable cash flow for the development of village-level collective-owned economy. Second, the featured Chinese oil tea industry has been expanded. Drawing on mountain and woodland resources within the village, an innovative cross-village joint-operation development model has been rolled out. An additional 120 mu of camellia-oil forest is planned. By linking existing bases of surrounding village groups for contiguous development, unified management and protection, and unified production and marketing, the industrial scale will be continuously expanded to form a contiguous industrial belt of featured economic forests. Third, light-industry employment-generating industries have been introduced. Active liaison has been made with Shuangfeng Rongcheng Shoe Co., Ltd., and a preliminary letter of intent for cooperation has been reached to introduce shoe-making production lines to Fushou Village. Upon project implementation, it can effectively absorb idle rural labour, poverty-alleviation households and monitoring households for local employment, enabling stable posts and income growth in local communities.

China MCC5 Group Corp. Ltd., a subsidiary of the Company, gives full play to its strengths in the construction sector and takes an active part in rural revitalisation. Professional key personnel have been dispatched to regions including Sichuan and Guizhou to continuously consolidate and build on the achievements of poverty alleviation and underpin rural revitalisation. It assists local governments in delivering relocation and resettlement projects, addressing resettlement needs of local residents, effectively enhancing the functional quality of project zones, improving living environments for local residents, stimulating vitality in the development of upstream and downstream industries, and further driving local urban development.

Section VI. Significant Events

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings Made by Relevant Parties Such as De Facto Controllers, Shareholders, Related Parties and Acquirers of the Company and the Company during the Reporting Period or Subsisting during the Reporting Period

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in detail	If not performed timely, specify further plans
Commitments made in a report of acquisition or a report on changes in equity	Maintaining the independence of the listed company	China Minmetals	China Minmetals will safeguard the independence of MCC's personnel, assets, finances, organisations and businesses. The commitments continue to be valid, cannot be altered and are irrevocable during the period in which China Minmetals has control over MCC or there is relatively material impact. If there is any breach of the above commitments, China Minmetals shall assume all losses to MCC.	17 February 2016, 13 December 2024	No	Continuing to be valid during the period in which China Minmetals has control over MCC or there is relatively material impact	Yes	–	–
Commitments made in a report of acquisition or a report on changes in equity	Prevention of horizontal competition	China Minmetals	1. In respect of businesses carried out by China Minmetals and other controlled companies which overlap with those of MCC, China Minmetals will, according to its actual situations and the characteristics and development trend of the industry in which it operates, actively adopts different methods such as entrusted management, asset restructuring, equity swap and business adjustment to minimise the business overlap between the two parties. 2. Upon the completion of the acquisition, China Minmetals and its other controlled companies will not, in whatever form, directly or indirectly, engage in new businesses competing with MCC, and will not establish controlling subsidiaries which engage in the same or similar businesses that will constitute substantial horizontal competition with MCC. China Minmetals will supervise its controlled companies and adopt certain measures when necessary.	17 February 2016, 13 December 2024	No	Continuing to be valid during the period in which China Minmetals has control over MCC or there is relatively material impact	Yes	–	–

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in detail	If not performed timely, specify further plans
			3. Subject to the above principles 1 and 2 and upon the completion of the acquisition, if the products or services that will be operated by the unlisted subsidiaries controlled by or other unlisted related enterprises of China Minmetals are likely to compete with the main products or services of MCC, China Minmetals will agree that MCC shall be entitled to preferentially acquire the assets in relation to these products or services or 100% equity of China Minmetals in the subsidiaries. MCC shall be entitled to determine the time to request China Minmetals to sell the abovementioned competing businesses at its discretion. 4. China Minmetals will abstain from voting at the Board meeting or General meeting at which MCC reviews whether its new businesses constitute horizontal competition with China Minmetals and whether to exercise the above option right and pre-emptive rights. 5. China Minmetals undertook that it will strictly comply with the relevant regulations of the CSRC and the SSE, and the Articles of Association and other rules and regulations of MCC, and equally exercise the shareholder's rights and perform the shareholder's obligations. It also undertook not to take advantage of its privileged positions as the substantial shareholder nor impair the legal interests of MCC or other shareholders. The commitments continue to be valid, cannot be altered and are irrevocable during the period in which China Minmetals has control over MCC or there is relatively material impact. If there is any breach of the above commitments, China Minmetals shall assume all losses to MCC.						

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in detail	If not performed timely, specify further plans
Commitments made in a report of acquisition or a report on changes in equity	Reducing and regulating related transactions	China Minmetals	1. China Minmetals will fully respect the independent legal entity status of MCC and safeguard the independent operation and independent decision-making of MCC. 2. To ensure that China Minmetals and other companies or economic organisations under its controlling or de facto control (excluding enterprises controlled by MCC, hereinafter collectively referred to as "Affiliated Enterprises of China Minmetals") will avoid or reduce the occurrence of related transactions with China Minmetals as far as possible in the future. 3. In the event of unavoidable or reasonable related transactions between MCC and China Minmetals and its affiliated enterprises in its future business activities, China Minmetals will cause such transactions to be carried out in strict accordance with the relevant national laws and regulations, the Articles of Association of MCC and the relevant provisions of the CSRC, and will sign agreements with MCC in accordance with the law, and make disclosure in a timely manner in accordance with the law; and will ensure that the transactions will be carried out in accordance with normal commercial conditions, the pricing will be fair and that the legitimate rights and interests of MCC and its other shareholders will not be jeopardised by the related transactions. 4. China Minmetals and its affiliated enterprises will strictly and in good faith perform the various related agreements entered into between China Minmetals and MCC; China Minmetals and its affiliated enterprises will not seek any benefits or gains from MCC beyond what is provided for in those agreements. The commitments continue to be valid, cannot be altered and are irrevocable during the period in which China Minmetals has control over MCC or there is relatively material impact. If there is any breach of the above commitments, China Minmetals shall assume all losses to MCC.	17 February 2016, 13 December 2024	No	Continuing to be valid during the period in which China Minmetals has control over MCC or there is relatively material impact	Yes	–	–

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

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in detail	If not performed timely, specify further plans
Undertakings in relation to non-financial corporate debt financing instruments	Others	MCC	The funds raised from the 2025 First Tranche to Sixteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.* are used only for production and operating activities of enterprises that comply with national laws, regulations and policies, and shall not be used for land, real estate, equity, securities, futures and other areas prohibited by national regulations. Funds raised for the current period will be used to meet the liquidity requirements that comply with national laws, regulations and policies, and shall not be used for long-term investment. During the term of above Medium-term Notes, if the uses of funds are changed, the relevant information will be disclosed in a timely manner.	3 March 2025, 20 March 2025, 12 March 2025, 24 March 2025, 27 March 2025, 23 April 2025, 27 April 2025, 22 May 2025, 26 May 2025, 9 June 2025, 17 September 2025, 19 September 2025, 22 October 2025, 25 November 2025, 26 November 2025, 1 December 2025	Yes	The issuance dates to redemption dates	Yes	–	–

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

☐ Applicable ☑ Not Applicable

III. BREACH OF GUARANTEES

☐ Applicable ☑ Not Applicable

IV. AUDITING OF INTERIM REPORT

The interim financial statement of the Company for the first half of 2026 has been reviewed by Deloitte Touche Tohmatsu Certified Public Accountants LLP, but has not been audited.

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

☐ Applicable ☑ Not Applicable

VI. EVENTS IN RELATION TO BANKRUPTCY AND REORGANISATION

☐ Applicable ☑ Not Applicable

VII. MATERIAL LITIGATION AND ARBITRATION

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

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

☐ Applicable ☑ Not Applicable

IX. INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

During the Reporting Period, the Company and its Controlling Shareholder did not have any court ruling in effect that was yet to be enforced or any overdue liability with a relatively significant outstanding amount and was not otherwise involved in any other similar circumstances.

X. MATERIAL CONNECTED PARTY TRANSACTIONS

(I) Connected Party Transactions in Relation to Daily Operation

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

Event overview	Query index
On 30 March 2026, at the 83rd meeting of the third session of the Board of the Company, the Board considered and approved the Resolution on Setting Annual Caps for Daily Related Party Transactions/Continuing Connected Transactions in 2027 (《關於設定2027年日常關聯交易／持續性關連交易年度限額的議案》) approving the estimation of relevant annual caps for daily connected transactions and the signing of relevant agreements. On 26 May 2026, the Company entered into the Mutual Supply of Comprehensive Raw Materials, Products and Services Agreement with China Minmetals Corporation, and entered into the Mutual Supply Agreement for Project Construction and Services with MCC Ecological Environmental Protection Group Co., Ltd., Nanjing MCC Real Estate Co., Ltd. and Shenzhen Qianhai MCC Construction Technology Development Co., Ltd., respectively, all of which are connected subsidiaries of the Company. The foregoing resolution was passed at the 2025 annual general meeting of the Company held on 29 June 2026.	For details, please refer to the relevant announcements disclosed by the Company on 30 March 2026, 26 May 2026 and 29 June 2026.

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

☐ Applicable ☑ Not Applicable

3. ***Events not Disclosed in the Interim Announcement***

Unit: RMB'000

Party to connected transaction	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Annual caps for 2026	Price of connected transaction	Amount of connected transaction	Percentage to similar transactions (%)	Payment method for connected transaction	Market price	Reason for significant difference between transaction price and reference market price
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Sales of commodities	Purchase of materials – income	Agreed price	6,956,000	–	427,664	8.21	–	–	–
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Purchase of commodities	Purchase of materials –expense	Agreed price	14,931,000	–	2,363,835	4.75	–	–	–
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Provision of services	Engineering construction – income	Agreed price	9,341,000	–	1,975,099	1.28	–	–	–
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Acceptance of services	Engineering construction – expense	Agreed price	2,400,000	–	199,954	0.26	–	–	–
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Acceptance of services	Production and maintenance – expense	Agreed price	200,000	–	376	0.06			
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Provision of services	Technical and management services – income	Agreed price	2,000,000	–	243,925	3.51	–	–	–
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Acceptance of services	Technical and management services – expense	Agreed price	2,500,000	–	16,594	6.53	–	–	–
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Other inflow	Property leasing – income	Lease contract	200,000	–	2,020	1.05	–	–	–
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Other outflow	Property leasing – expenses	Lease contract	600,000	–	48,646	8.00	–	–	–
CMC Finance Co., Ltd.	Subsidiary of shareholder	Comprehensive credit	Daily maximum balance of provision of comprehensive credit granting to the Company and its subsidiaries by CMC Finance Co., Ltd. Note (1)	Agreed price	30,000,000	–	4,361,299	–	–	–	–
CMC Finance Co., Ltd.	Subsidiary of shareholder	Deposits	Daily deposits balance by the Company and its subsidiaries with CMC Finance Co., Ltd. Note (2)	Agreed price	15,000,000	–	14,833,239	–	–	–	–
CMC Finance Co., Ltd.	Subsidiary of shareholder	Expenditures	Total charges for provision of financial services to the Company and its subsidiaries by CMC Finance Co., Ltd. Note (3)	Agreed price	35,000	–	15	0.01	–	–	–

Party to connected transaction	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Annual caps for 2026	Price of connected transaction	Amount of connected transaction	Percentage to similar transactions (%)	Payment method for connected transaction	Market price	Reason for significant difference between transaction price and reference market price
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Interest expenses	Industrial and financial services – financing costs – financial assistance	Agreed price	1,000,000	-	3,119	0.28	-	-	-
Total				/	85,163,000	/	24,475,785	/	/	/	/

Note: (1) Including but not limited to loans, acceptances and discounts on bills, guarantees, letters of guarantee and opening letters of credit, including accrued interest incurred.

(2) Including accrued interest incurred.

(3) Including but not limited to the total amount of agency fees, handling fees, advisory fees or other service fees charged for the provision of advisory, clearing, internet banking, investment, letter of credit, entrusted loans, guarantees, acceptance of bills, letters of guarantee, etc.

Unit: RMB'000

Connected subsidiary	Content of connected transaction	Annual caps for 2026	Connected transaction amount from January to June 2026
MCC Ecological Environmental Protection Group Co., Ltd.	Engineering construction – income	50,000	**4,506**
MCC Ecological Environmental Protection Group Co., Ltd.	Engineering construction – expense	200,000	**1,700**
MCC Ecological Environmental Protection Group Co., Ltd.	Technical and management services – income	100,000	**1,039**
Nanjing MCC Real Estate Co., Ltd.	Technical and management services – expense	100,000	**1,700**

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

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

☐ Applicable ☑ Not Applicable

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

As approved at the 80th meeting of the third session of the Board and the first extraordinary general meeting in 2025 (with all related directors and shareholders abstaining from voting in accordance with relevant regulations on related transactions), the Company (including its subsidiary, China Huaye) entered into the Equity Transfer Agreements with Minmetals Land Holdings and China Minmetals in December 2025, respectively. Pursuant to these agreements, the Company transferred its entire 100% equity interest in MCC Real Estate along with related creditor's rights, the 100% equity interests in Non-ferrous Engineering, MCC Tongsin Resources, MCC Ramu and MCC Duddar, as well as 67.02% equity interest in MCC-JJJ Mining (for details, please refer to relevant announcements disclosed by the Company on 8 December 2025 and 29 December 2025).

As of the end of this Reporting Period, with the exception of the equity transfer concerning MCC Duddar, the full consideration for the transfer of all other subject assets has been received. Accordingly, these related assets ceased to be included in the Company's consolidated financial statements effective from 31 December 2025. Pursuant to the relevant provisions of the Equity Transfer Agreements, the transition period profit or loss of the aforesaid companies for the period from the evaluation benchmark date, i.e. from 31 July 2025 to 31 December 2025, shall be enjoyed or borne by the Company. The Company has engaged BDO China Shu Lun Pan Certified Public Accountants LLP and Pan-China Certified Public Accountants LLP to conduct a special audit on the transition period profit or loss of the aforesaid companies. As at the end of this Reporting Period, the special audit reports on the transition period profit or loss of the aforesaid companies have been formally issued, and the audited aggregate transition period profit or loss amounted to RMB-649,917 thousand. Regarding the transfer of the 100% equity interest in MCC Duddar, the Company received 50% of the consideration at the end of 2025 according to the Equity Transfer Agreements, and is currently collaborating with relevant parties to coordinate the domestic and overseas approval and filing procedures involved in the asset handover.

3. ***Events not Disclosed in the Interim Announcement***

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

(IV) Related Party Receivables and Payables

☐ Applicable ☑ Not Applicable

(V) Financial Business between the Company and its Related Financial Companies and Financial Business between the Company's Holding Financial Company and its Related Parties

1. Deposits

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

Unit: RMB

Related party	Connected relationship	Maximum limit of daily deposit	Interest rate range of deposits	Balance at the beginning of the period	Amount for the current period		Balance at the end of the period
					Total deposits for the current period	Total withdrawal amount for the current period	
Minmetals Finance Company	Under common control of China Minmetals	15,000,000,000	0.35%-1.15%	12,745,659,184.29	595,067,531,232.70	593,798,576,560.13	14,014,613,856.86
Total	/	/	/	12,745,659,184.29	595,067,531,232.70	593,798,576,560.13	14,014,613,856.86

2. Loan Business

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

Unit: RMB

Related party	Connected relationship	Loan facility	Interest rate range of loans	Balance at the beginning of the period	Amount for the current period		Balance at the end of the period
					Total loans for the current period	Total repayment for the current period	
Minmetals Finance Company	Under common control of China Minmetals	15,000,000,000	2.11%-2.29%	1,790,000,000	3,590,000,000	1,025,000,000	4,355,000,000
Total	/	/	/	1,790,000,000	3,590,000,000	1,025,000,000	4,355,000,000

3. Credit Granting or other Financial Business

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

Unit: RMB

Related party	Connected relationship	Business types	Total	Actual amount incurred
Minmetals Finance Company	Under common control of China Minmetals	Credit Granting	30,000,000,000	4,361,298,500

4. *Other Descriptions*

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

Unit: RMB

Related party	Connected relationship	Business types	Total	Actual amount incurred
Minmetals Finance Company	Under common control of China Minmetals	Service fees	35,000,000	14,997

XI. MATERIAL CONTRACTS AND THE PERFORMANCE THEREOF

(I) Trusteeship, Contracting, and Leasing

☐ Applicable ☑ Not Applicable

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

Unit: RMB

External guarantees provided by the Company (excluding guarantees to subsidiaries)													
Guarantor	Relationship between the guarantor and the listed company	Guarantee	Guarantee amount	Date of guarantee occurrence (date of agreement signing)	Guarantee start date	Guarantee expiry date	Type of guarantee	Principal debt	Collateral	Whether execution of guarantee has been completed	Is the guarantee overdue	Overdue Counter amount guarantee	Counter-guarantee situation
MCC	Headquarters of the Company	Beijing Zhongshun Jinda Trading Co., Ltd.	350,000,000	2024-05-15	2024-05-15	2031-05-15	Joint liability guarantee	Normal	Nil	No	No	0	Counter-guarantee provided by China Minmetals Corporation
MCC20	Holding subsidiary	Zhuhai Hengqin Headquarter Building Development Co., Ltd.	300,673,806.43	2023-09-04	2023-09-05	2027-09-05	Joint liability guarantee	Normal	Nil	No	No	0	Nil

Total amount of guarantees incurred during the Reporting Period (excluding guarantees to subsidiaries)	-2,000,000.00
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)	650,673,806.43
Guarantees provided by the Company to its subsidiaries	
Total amount of guarantees provided to its subsidiaries during the Reporting Period	-3,022,923,758.90
Total balance of guarantees provided to its subsidiaries as at the end of the Reporting Period (B)	11,439,607,842.34
Total guarantees provided by the Company (including guarantees to subsidiaries)	
Total amount of guarantees (A+B)	12,090,281,648.77
Total amount of guarantees as a percentage in the net assets of the Company (%)	7.76
Including:	
Amount of guarantees provided to Shareholders, the de facto controllers and their related parties (C)	350,000,000
Debt guarantees directly or indirectly provided to guaranteed parties with gearing ratio of over 70% (D)	11,789,607,842.34
Guarantees with the total amount exceeding 50% of the net assets (E)	0
Total amount of guarantees of the three above items (C+D+E)	11,789,607,842.34
Explanation on the potential joint repaying liability arising from outstanding guarantees	Nil
Explanation on guarantees	As at the end of the Reporting Period, the total mortgage guarantees provided by the Company's wholly-owned and controlled subsidiaries to purchasers of commercial residential properties amounted to RMB1.287 million. Such guarantees are provided by the Company's wholly-owned and controlled subsidiaries for mortgage loans obtained by purchasers of commercial residential properties from banks, with the purchased commercial residential properties serving as collateral. These guarantees are necessary for the Company's normal production and operation activities, and the relevant risks arising from providing such guarantees are relatively low.

(III) Other Material Contracts

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

XII. EXPLANATION ON PROCESS IN USE OF PROCEEDS

☐ Applicable ☑ Not Applicable

Section VII. Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Changes in shares

1. Changes in shares

Unit: share

	Before the change		Increase/(decrease) in the change (+,-)					After the change	
	Number of shares	Proportion (%)	New shares issued	Bonus shares	Capital reserve capitalisation	Others	Sub-total	Number of shares	Proportion (%)
I. Shares Subject to Selling Restrictions	–	–	–	–	–	–	–	–	
1. State-held shares	–	–	–	–	–	–	–	–	
2. State-owned legal-person shares	–	–	–	–	–	–	–	–	
3. Other domestic-funded shares	–	–	–	–	–	–	–	–	
Including: Domestic non-state-owned legal-person shares	–	–	–	–	–	–	–	–	
Domestic natural-person shares	–	–	–	–	–	–	–	–	
4. Foreign-funded shares	–	–	–	–	–	–	–	–	
Including: Overseas legal-person shares	–	–	–	–	–	–	–	–	
Overseas natural-person shares	–	–	–	–	–	–	–	–	
II. Shares Without Selling Restrictions	20,723,619,170	100	–	–	–	-32,000,000	-32,000,000	20,691,619,170	100
1. RMB ordinary shares	17,852,619,170	86.15	–	–	–	–	–	17,852,619,170	86.28
2. Domestically-listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas-listed foreign shares	2,871,000,000	13.85	–	–	–	-32,000,000	-32,000,000	2,839,000,000	13.72
4. Others	–	–	–	–	–	–	–	–	–
III. Total Number of Shares	20,723,619,170	100	–	–	–	-32,000,000	-32,000,000	20,691,619,170	100

2. Explanation of the Changes in Shares

The relevant repurchase-related resolutions were considered and approved at the 2026 first extraordinary general meeting. The Company completed the cancellation formalities for 32,000,000 repurchased H Shares on 2 June 2026. Upon completion of such cancellation, the Company's total share capital decreased from 20,723,619,170 shares to 20,691,619,170 shares.

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

☐ Applicable ☑ Not Applicable

(II) Changes in Restricted Shares

☐ Applicable ☑ Not Applicable

II. PARTICULARS OF SHAREHOLDERS

(I) Total Number of Shareholders

Total number of ordinary Shareholders as at the end of the Reporting Period (persons)	361,569
Total number of Shareholders of preferred shares whose voting rights have been restored as at the end of the Reporting Period (person)	0

(II) Table of Shareholding of the Top Ten Shareholders and Top Ten Shareholders with Tradable Shares (or Shareholders not Subject to Selling Restrictions) as at the End of the Reporting Period[1]

Unit: share

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

Name of shareholder (full name)	Increase/decrease during the Reporting Period	Number of shares held at the end of the period	Proportion (%)	Number of shares subject to selling restrictions	Pledged, charged or frozen		Nature of shareholder
					Status of shares	Amount	
China Minmetals Corporation	0	9,171,859,770	44.33	0	Nil	0	State-owned legal person
HKSCC Nominees Limited[2]	-32,225,750	2,818,873,151	13.62	0	Nil	0	Others
China National Petroleum Corporation	0	1,227,760,000	5.93	0	Nil	0	State-owned legal person
China Metallurgical Group Corporation	0	1,019,095,530	4.93	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	-7,231,480	188,720,708	0.91	0	Nil	0	State-owned legal person
Jia Tiebin	6,298,900	30,000,048	0.14	0	Nil	0	Others
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Sponsoring-type Securities Investment Fund	-95,613,158	23,042,213	0.11	0	Nil	0	Others
Lun Jinguo (盧金國)	20,925,514	20,925,514	0.10	0	Nil	0	Others
Beijing Zongshen Network Technology Co., Ltd. (北京縱深網絡科技有限公司)	20,000,000	20,000,000	0.10	0	Nil	0	Others
JIn Zhilan (金芝蘭)	12,813,100	18,215,600	0.09	0	Nil	0	Others

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

Name of shareholder	Number of shares held without selling restrictions	Types and number of shares: Types	Amount
China Minmetals Corporation	9,171,859,770	RMB ordinary shares	9,171,859,770
HKSCC Nominees Limited[(2)]	2,818,873,151	Overseas-listed foreign shares	2,818,873,151
China National Petroleum Corporation	1,227,760,000	RMB ordinary shares	1,227,760,000
China Metallurgical Group Corporation	1,019,095,530	RMB ordinary shares	1,019,095,530
Hong Kong Securities Clearing Company Limited	188,720,708	RMB ordinary shares	188,720,708
Jia Tiebin	30,000,048	RMB ordinary shares	30,000,048
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Sponsoring-type Securities Investment Fund	23,042,213	RMB ordinary shares	23,042,213
Lun Jinguo (盧金國)	20,925,514	RMB ordinary shares	20,925,514
Beijing Zongshen Network Technology Co., Ltd. (北京縱深網絡科技有限公司)	20,000,000	RMB ordinary shares	20,000,000
JIn Zhilan (金芝蘭)	18,215,600	RMB ordinary shares	18,215,600
Explanation of share repurchase accounts among the top ten Shareholders	As at 30 June 2026, the repurchase-special securities account of Metallurgical Corporation of China Ltd. held 85,731,626 A Shares of the Company, representing 0.41% of the Company's total share capital. The repurchase special account is not presented among the top-ten shareholders in accordance with relevant provisions.		
Explanations on the aforesaid Shareholders' entrusting of voting rights, entrusted voting rights, and waiver of voting rights	Not applicable		
Explanations on the connections or parties acting in concert among the aforesaid Shareholders	Among the above Shareholders, China Minmetals Corporation and China Metallurgical Group Corporation are considered persons acting in concert. Apart from this, the Company is unaware of any related party relationships or persons acting in concert among other shareholders.		
Explanations on the Shareholders of preferred shares whose voting rights have been restored and the number of shares held	Not applicable		

Note (1): Figures in the table were extracted from the Company register of shareholders as at 30 June 2026.

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

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

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

III. DIRECTORS AND SENIOR MANAGEMENT

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

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

(III) Securities Interests Owned by Directors and Senior Management

1. Directors', Chief Executives' and Other Senior Management's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2026, as far as the Company is aware, none of the Directors, the chief executive and other senior management of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise required to be notified to the Company and the Hong Kong Stock Exchange by the Directors pursuant to the Model Code.

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

As at 30 June 2026, the Company was informed that the following persons had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Shareholders of A Shares

Unit: share

Name of substantial Shareholder	Capacity	Number of A-shares	Nature of interest	Approximate percentage of the total issued A-shares *(%)*	Approximate percentage of the total issued shares *(%)*
China Minmetals Corporation	Beneficial owner	9,171,859,770	Long position	51.38	44.33
China National Petroleum Corporation	Beneficial owner	1,227,760,000	Long position	6.88	5.93
China Metallurgical Group Corporation	Beneficial owner	1,019,095,530	Long position	5.71	4.93

Section VII. Changes in Shares and Particulars of Shareholders

Save as disclosed above, so far as the Directors and chief executives of the Company are aware, as at 30 June 2026, in accordance with the register required to be kept under section 336 of the SFO, no other person or corporation has an interest or short position in the Company's share capital that would require disclosure to the Company under Divisions 2 and 3 of Part XV of the SFO.

IV. CHANGES IN CONTROLLING SHAREHOLDERS OR DE FACTO CONTROLLERS

☐ Applicable ☑ Not Applicable

V. EMPLOYEES AND REMUNERATION POLICY

(I) Employees

Number of existing employees of parent company	404
Number of existing employees of major subsidiaries	90,012
Total number of employees on duty	90,416
Number of employees resigned or retired to whom the parent company and principal subsidiaries are liable	107,728

Composition of professionals

Type of professionals	**Number of professionals**
Engineering contracting	77,230
Featured business	12,310
Others	876
Total	90,416

Educational level

Category of educational level	**Number** *(persons)*
Above postgraduate	14,998
Undergraduate	53,686
Junior college	10,110
Below junior college	11,622
Total	90,416

(II) Compensation Policy

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

(III) Training Plans

In accordance with a tiered and categorised management model, the Company has carried out extensive education and training programmes for its management and employees. This has further strengthened the political competence of operational and management personnel, professional and technical staff, and skilled workers at all levels, whilst continuously enhancing their professional capabilities and practical skills, thereby laying a solid foundation for the Company's production and operations, as well as its reform and development.

VI. DETAILS OF PREFERRED SHARES

☐ Applicable ☑ Not Applicable

Section VIII. Corporate Bonds

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

(I) Corporate Bonds (including enterprise bonds)

☐ Applicable ☑ Not Applicable

(II) Proceeds from Corporate Bonds

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

(III) Other Matters to be Disclosed in Respect of Special Variety Bonds

☐ Applicable ☑ Not Applicable

(IV) Significant Matters Relating to Corporate Bonds during the Reporting Period

☐ Applicable ☑ Not Applicable

(V) Non-financial Corporate Debt Financing Instruments in Interbank Bond Market

1. *Basic Information on Non-Financial Corporate Debt Financing Instruments*

Unit: RMB100 million

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate *(%)*	Method to pay principal and interests	Trading venue	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2023 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN012	102382348	31 August 2023 – 1 September 2023	4 September 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 4 September 2026	10	3.1	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2023 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN013	102382364	1 September 2023, 4 September 2023	5 September 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 5 September 2026	10	3.22	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN001	102480524	21 February 2024–22 February 2024	23 February 2024	23 February 2034	10	2.94	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Trading venue	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2024 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN002	102480538	23 February 2024, 26 February 2024	27 February 2024	27 February 2034	10	2.92	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN003	102480930	14 March 2024–15 March 2024	18 March 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 18 March 2027	20	2.79	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN004	102480974	18 March 2024 –19 March 2024	20 March 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 20 March 2027	20	2.74	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN005A	102483199	24 July 2024 –25 July 2024	26 July 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 July 2029	10	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN005B	102483200	24 July 2024 –25 July 2024	26 July 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 July 2034	10	2.54	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN006	102483403	7 August 2024 –8 August 2024	9 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 9 August 2029	20	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN007	102483477	9 August 2024, 12 August 2024	13 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 13 August 2034	12	2.75	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN008	102483673	21 August 2024–22 August 2024	23 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 23 August 2029	20	2.40	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

Section VIII. Corporate Bonds

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Trading venue	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2024 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN009	102483722	22 August 2024 –23 August 2024	26 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 August 2027	20	2.28	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN010	102483782	23 August 2024, 26 August 2024	27 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 27 August 2029	20	2.50	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN011	102483789	26 August 2024 –27 August 2024	28 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 28 August 2027	20	2.38	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN012	102483835	27 August 2024 –28 August 2024	29 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 29 August 2027	12	2.31	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN001	102580928	3 March 2025 –4 March 2025	5 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 5 March 2028	20	2.30	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN002	102581292	20 March 2025 –21 March 2025	24 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 24 March 2028	20	2.31	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN003	102581059	12 March 2025 –13 March 2025	14 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 14 March 2028	20	2.37	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN004	102581350	24 March 2025 –25 March 2025	26 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 March 2028	20	2.27	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Trading venue	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2025 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN005	102581435	27 March 2025	28 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 28 March 2028	20	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN006	102581856	23 April 2025 –24 April 2025	25 April 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 25 April 2030	12	2.35	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN007	102581943	27 April 2025 –28 April 2025	29 April 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 29 April 2030	20	2.39	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN008	102582141	22 May 2025 –23 May 2025	26 May 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 May 2028	20	2.07	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN009	102582167	26 May 2025 –27 May 2025	28 May 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 28 May 2028	20	2.09	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN010	102582334	9 June 2025 –10 June 2025	11 June 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 11 June 2028	8	2.05	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN011	102583972	17 September 2025 –18 September 2025	19 September 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 19 September 2028	20	2.27	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN012	102584010	19 September 2025, 22 September 2025	23 September 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 23 September 2028	20	2.26	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

Section VIII. Corporate Bonds

Name of bonds	Abbreviation	Bond code	Issue date	Value date	Expiry date	Outstanding bonds	Interest rate (%)	Method to pay principal and interests	Trading venue	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2025 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN013	102584408	22 October 2025 –23 October 2025	24 October 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 24 October 2028	13	2.26	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Fourteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN014	102584982	25 November 2025	26 November 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 November 2030	20	2.48	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Fifteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN015A	102585012	26 November 2025	27 November 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 27 November 2028	16	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Fifteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN015B	102585013	26 November 2025	27 November 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 27 November 2030	9	2.50	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Sixteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN016	102585064	1 December 2025	2 December 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 2 December 2030	20	2.55	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2026 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	26 MCC MTN001	102683404	26 August 2026	27 August 2026	Exercise Date of Options redeemed by the issuer, with the first exercise date on 27 August 2029	20	1.78	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2026 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	26 MCC MTN002	102683422	27 August 2026	28 August 2026	Exercise Date of Options redeemed by the issuer, with the first exercise date on 28 August 2029	20	1.80	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No

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

☐ Applicable ☑ Not Applicable

Overdue bonds

☐ Applicable ☑ Not Applicable

Explanations of overdue debts

☐ Applicable ☑ Not Applicable

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

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

3. Adjustment of Credit Rating Results

☐ Applicable ☑ Not Applicable

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

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

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

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

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

☐ Applicable ☑ Not Applicable

(VII) Violations of Regulations and Agreements

Violations of regulations, self-regulatory rules, the Articles of Association, the information-disclosure management system and other provisions, as well as the covenants or commitments set forth in the bond prospectus during the Reporting Period, together with the impact of such instances on the rights and interests of bond investors

☐ Applicable ☑ Not Applicable

(VIII) Major Accounting Data and Financial Indicators

Unit: RMB'000

Major indicators	**End of the Reporting Period**	End of the previous year	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year *(%)*
Current ratio	**1.07**	1.05	Increased by 0.02 percentage point
Quick ratio	**0.68**	0.72	Decreased by 0.04 percentage point
Asset-liability ratio *(%)*	**77.09**	78.13	Decreased by 1.04 percentage points

Note: Asset-liability ratio = Total liabilities/total assets × 100%

	This Reporting Period (January to June)	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared to the corresponding period of the previous year *(%)*
Net profit attributable to Shareholders of the listed Company after deducting non-recurring profits and losses	**1,707,331**	2,326,486	-26.61
EBITDA/total liabilities	**1.12%**	1.43%	Decrease by 0.31 percentage point
Interest coverage ratio	**3.79**	3.10	0.69
Cash interest coverage ratio	**-16.30**	-9.63	-6.67
EBITDA interest coverage ratio	**5.01**	4.14	0.87
Loan repayment ratio *(%)*	**100**	100	–
Interest repayment ratio *(%)*	**100**	100	–

II. CONVERTIBLE CORPORATE BONDS

☐ Applicable ☑ Not Applicable

I. REVIEW REPORT

De Shi Bao (Yue) Zi (26) No. R00037

TO SHAREHOLDERS OF METALLURGICAL CORPORATION OF CHINA LTD.:

We have reviewed the accompanying interim financial statements of Metallurgical Corporation of China Ltd. (the "Company"), which comprise the consolidated and Company's balance sheets as at 30 June 2026, and the consolidated and Company's income statements, the consolidated and Company's cash flow statements and the consolidated and Company's statements of changes in shareholders' equity for the six months then ended, and the notes to the financial statements. The preparation of the financial statements is the responsibility of the management of Metallurgical Corporation of China Ltd. Our responsibility is to deliver a report on review of the interim financial statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises, and cannot present fairly, in all material respects, the consolidated and Company's financial positions as at 30 June 2026, and the consolidated and Company's operating performance and cash flows for the six months then ended.

Deloitte Touche Tohmatsu CPA LLP
Shanghai, China

Chinese Certified Public Accountant:
Chen Wenlong

Chinese Certified Public Accountant:
Zhou Hongyu

28 August 2026

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

II. FINANCIAL STATEMENTS

THE CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2026

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	NOTE VII	30 June 2026 (unaudited)	31 December 2025
Current assets			
Cash and bank balances	1	68,081,477	77,764,883
Held-for-trading financial assets		1,754	2,030
Notes receivable	2	6,391,160	5,366,671
Accounts receivable	3	238,598,546	243,437,020
Receivables financing	4	8,958,368	9,066,234
Prepayments	5	17,803,087	19,028,155
Other receivables	6	30,479,421	59,373,440
Inventories	7	16,275,106	15,687,453
Contract assets	8	201,261,931	189,499,733
Non-current assets due within one year	9	10,408,286	11,483,026
Other current assets	10	8,085,886	8,926,152
Total Current Assets		606,345,022	639,634,797
Non-current assets			
Long-term receivables	11	50,410,017	51,689,756
Long-term equity investments	12	41,323,023	40,731,505
Investments in other equity instruments	13	1,540,953	1,789,413
Other non-current financial assets	14	4,367,271	4,373,896
Investment properties	15	7,155,764	7,304,471
Fixed assets	16	16,331,758	16,615,171
Construction in progress	17	4,664,180	4,747,680
Right-of-use assets	18	530,180	564,920
Intangible assets	19	27,664,510	26,597,565
Goodwill	20	47,361	47,361
Long-term prepaid expenses	21	328,407	342,458
Deferred tax assets	22	9,210,168	8,985,407
Other non-current assets	23	36,875,737	36,064,282
Total Non-current Assets		200,449,329	199,853,885
TOTAL ASSETS		806,794,351	839,488,682

The accompanying notes form part of the financial statements.

II. FINANCIAL STATEMENTS (CONTINUED)

THE CONSOLIDATED BALANCE SHEET (CONTINUED)
AT 30 JUNE 2026

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	NOTE VII	30 June 2026 (unaudited)	31 December 2025
Current liabilities			
Short-term borrowings	25	20,476,444	22,127,213
Derivative financial liabilities		–	648,732
Notes payable	26	26,470,793	25,608,315
Accounts payable	27	376,271,683	396,600,873
Receipts in advance	28	74,754	69,347
Contract liabilities	29	51,101,691	56,137,036
Employee benefits payable	30	2,489,875	3,161,987
Taxes payable	31	2,173,450	2,969,140
Other payables	32	46,134,514	50,256,178
Non-current liabilities due within one year	33	11,598,423	14,538,963
Other current liabilities	34	31,238,654	34,296,794
Total Current Liabilities		568,030,281	606,414,578
Non-current liabilities			
Long-term borrowings	35	45,993,649	41,446,692
Bonds payable	36	2,000,000	2,000,000
Lease liabilities	37	379,206	410,397
Long-term payables	38	910,583	992,278
Long-term employee benefits payable	39	2,435,994	2,475,555
Provisions	40	510,886	566,712
Deferred income	41	782,960	738,992
Deferred tax liabilities	22	114,775	120,036
Other non-current liabilities	42	764,004	764,004
Total Non-current Liabilities		53,892,057	49,514,666
TOTAL LIABILITIES		621,922,338	655,929,244

II. FINANCIAL STATEMENTS (CONTINUED)

THE CONSOLIDATED BALANCE SHEET (CONTINUED)
AT 30 JUNE 2026

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	*NOTE VII*	30 June 2026 (unaudited)	31 December 2025
SHAREHOLDERS' EQUITY			
Share capital	43	**20,691,619**	20,723,619
Other equity instruments	44	**54,100,000**	54,100,000
Including: Perpetual bonds		**54,100,000**	54,100,000
Capital reserve	45	**23,556,988**	23,549,164
Less: Treasury stock	46	**259,442**	–
Other comprehensive income	47	**501,353**	629,544
Special reserve	48	**2,059,370**	1,688,552
Surplus reserve	49	**3,782,468**	3,782,468
Retained profits	50	**52,247,440**	51,289,390
Total equity attributable to shareholders of the Company		**156,679,796**	155,762,737
Minority interests		**28,192,217**	27,796,701
TOTAL SHAREHOLDERS' EQUITY		**184,872,013**	183,559,438
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**806,794,351**	839,488,682

Legal Representative:	*Chief Financial Officer:*	*Financial Controller:*
Li Zhongze	**Dong Su**	**Li Yifeng**

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S BALANCE SHEET
AT 30 JUNE 2026

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	*NOTE XVII*	30 June 2026 (unaudited)	31 December 2025
Current assets			
Cash and bank balances		14,837,415	23,238,794
Accounts receivable	1	130,560	316,430
Prepayments		1,002,297	971,823
Other receivables	2	66,028,798	62,784,328
Inventories		927	927
Contract assets		1,231,266	1,313,008
Other current assets		135	135
Total Current Assets		83,231,398	88,625,445
Non-current assets			
Long-term receivables	3	2,037	120,718
Long-term equity investments	4	86,536,062	78,020,481
Investments in other equity instruments		1,035	981
Fixed assets		17,205	19,091
Construction in progress		1,645	–
Right-of-use assets		28,498	37,894
Intangible assets		41,649	41,302
Other non-current assets		612,586	610,358
Total Non-current Assets		87,240,717	78,850,825
TOTAL ASSETS		170,472,115	167,476,270

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S BALANCE SHEET (CONTINUED)
AT 30 JUNE 2026

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	*NOTE XVII*	30 June 2026 (unaudited)	31 December 2025
Current liabilities			
Short-term borrowings	5	–	1,011,347
Derivative financial liabilities		–	648,732
Accounts payable		1,710,600	1,756,832
Contract liabilities		1,635,723	1,773,848
Employee benefits payable		19,939	20,816
Taxes payable		43,771	104,580
Other payables	6	44,179,853	42,848,842
Non-current liabilities due within one year	7	2,445,414	3,074,730
Total Current Liabilities		50,035,300	51,239,727
Non-current liabilities			
Long-term borrowings	8	439,080	439,080
Bonds payable		2,000,000	2,000,000
Lease liabilities		9,372	18,675
Long-term employee benefits payable		77,977	77,231
Provisions		62,805	62,805
Deferred income		3,598	3,598
Total Non-current Liabilities		2,592,832	2,601,389
TOTAL LIABILITIES		52,628,132	53,841,116

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S BALANCE SHEET (CONTINUED)
AT 30 JUNE 2026

Organization unit: Metallurgical Corporation of China Ltd.

RMB'000

Item	*NOTE XVII*	30 June 2026 (unaudited)	31 December 2025
SHAREHOLDERS' EQUITY			
Share capital		20,691,619	20,723,619
Other equity instruments		54,100,000	54,100,000
Including: Perpetual bonds		54,100,000	54,100,000
Capital reserve		37,805,764	37,823,082
Less: Treasury stock		259,442	–
Other comprehensive loss		(25,223)	(21,414)
Special reserve		12,550	12,550
Surplus reserve		3,782,468	3,782,468
Retained profits/(Accumulated losses)		1,736,247	(2,785,151)
TOTAL SHAREHOLDERS' EQUITY		117,843,983	113,635,154
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		170,472,115	167,476,270

Legal Representative:	*Chief Financial Officer:*	*Financial Controller:*
Li Zhongze	**Dong Su**	**Li Yifeng**

II. FINANCIAL STATEMENTS (CONTINUED)

THE CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2026

RMB'000

Item	NOTE VII	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
I. Total operating income	51	**175,906,562**	237,532,712
Including: Operating income		**175,906,562**	237,532,712
II. Total operating costs		**170,576,892**	228,566,665
Including: Operating costs	51	**158,664,357**	213,563,935
Taxes and levies	52	**696,075**	877,155
Selling expenses	53	**1,101,224**	1,304,083
Administrative expenses	54	**4,781,975**	5,332,722
Research and development expenses	55	**4,703,901**	6,734,970
Financial expenses	56	**629,360**	753,800
Including: Interest expenses		**1,119,247**	1,435,030
Interest income		**1,275,151**	937,172
Add: Other income	57	**200,829**	239,657
Investment loss	58	**(226,169)**	(445,757)
Including: Losses on investments in associates and joint ventures		**(36,374)**	(52,241)
Losses arising from derecognition of financial assets at amortised cost		**(185,143)**	(256,644)
Gains/(Losses) on changes in fair value	59	**25,683**	(44,681)
Impairment losses of credit	60	**(926,006)**	(1,905,514)
Impairment losses of assets	61	**(491,528)**	(1,700,083)
Gains on disposal of assets	62	**19,877**	178,667
III. Operating profit		**3,932,356**	5,288,336
Add: Non-operating income	63	**171,618**	127,460
Less: Non-operating expenses	64	**84,541**	136,647
IV. Total profit		**4,019,433**	5,279,149
Less: Income tax expenses	65	**942,221**	1,206,157
V. Net profit		**3,077,212**	4,072,992
(I) Classified by the continuity of operation			
Net profit from continuing operations		**3,077,212**	5,282,984
Net loss from discontinued operations		**–**	(1,209,992)
(II) Categorised by ownership			
Net profit attributable to shareholders of the Company		**2,326,127**	3,099,278
Profit or loss attributable to minority interests		**751,085**	973,714

II. FINANCIAL STATEMENTS (CONTINUED)

THE CONSOLIDATED INCOME STATEMENT (CONTINUED)
For the six months ended 30 June 2026

RMB'000

Item	*NOTE VII*	**For the six months ended 30 June 2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
VI. Other comprehensive loss, net of tax	47	**(217,779)**	(26,314)
Other comprehensive loss attributable to shareholders of the Company, net of income tax		**(165,139)**	(13,674)
(I) Other comprehensive (loss)/income that cannot be reclassified subsequently to profit or loss		**(109,053)**	13,887
1. Changes from remeasurement of defined benefit plans		**(58,881)**	120
2. Other comprehensive loss that cannot be subsequently reclassified to profit or loss under the equity method		**–**	(23)
3. Changes in fair value of investments in other equity instruments		**(50,172)**	13,790
(II) Other comprehensive loss that will be reclassified subsequently to profit or loss		**(56,086)**	(27,561)
1. Other comprehensive loss that can be reclassified to profit or loss under the equity method		**(3,844)**	(1,916)
2. Changes in fair value of receivables financing		**9,548**	9,721
3. Translation differences of financial statements denominated in foreign currencies		**(61,790)**	(35,366)
Other comprehensive loss attributable to minority interests, net of tax		**(52,640)**	(12,640)
VII. Total comprehensive income		**2,859,433**	4,046,678
Total comprehensive income attributable to shareholders of the Company		**2,160,988**	3,085,604
Total comprehensive income attributable to minority interests		**698,445**	961,074
VIII. Earnings per share	66		
Basic earnings per share *(RMB/Share)*		**0.05**	0.09
Diluted earnings per share *(RMB/Share)*		**0.05**	0.09

Legal Representative: **Li Zhongze**

Chief Financial Officer: **Dong Su**

Financial Controller: **Li Yifeng**

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S INCOME STATEMENT
For the six months ended 30 June 2026

RMB'000

Item	*NOTE XVII*	**For the six months ended 30 June 2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
I. Total operating income		**400,198**	971,838
Including: Operating income	9	**400,198**	971,838
II. Total operating costs		**552,607**	851,670
Including: Operating costs	9	**393,642**	970,815
Taxes and levies		**22,958**	3,721
Selling expenses		**12,392**	8,414
Administrative expenses		**102,596**	102,432
Research and development expenses		**3,334**	–
Financial expenses		**17,685**	(233,712)
Including: Interest expenses		**415,064**	735,248
Interest income		**491,464**	980,278
Add: Other income		**1,779**	769
Investment income	10	**5,982,562**	196,151
Including: Gains/(losses) on investments in associates and joint ventures		**5,597**	(3,767)
Gains/(losses) on changes in fair value		**25,560**	(43,704)
Impairment losses of credit	11	**(1,814)**	(3,946)
Impairment losses of assets		**(226)**	(7,454)
III. Operating profit		**5,855,452**	261,984
Add: Non-operating income		**150**	100
Less: Non-operating expenses		**68**	58
IV. Total profit		**5,855,534**	262,026
Less: Income tax expenses		**3,007**	–

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S INCOME STATEMENT (CONTINUED)
For the six months ended 30 June 2026

RMB'000

Item	NOTE XVII	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
V. Net profit		**5,852,527**	262,026
(I) Classified by the continuity of operation			
Net profit from continuing operations		**5,852,527**	262,026
VI. Other comprehensive (loss)/income, net of tax		**(3,809)**	95
(I) Other comprehensive (loss)/income that cannot be reclassified subsequently to profit or loss		**(2,325)**	95
1. Changes from remeasurement of defined benefit plans		**(2,379)**	(4)
2. Changes in fair value of investments in other equity instruments		**54**	99
(II) Other comprehensive loss that will be reclassified to profit or loss		**(1,484)**	–
1. Other comprehensive loss that can be reclassified to profit or loss under the equity method		**(1,484)**	–
VII. Total comprehensive income		**5,848,718**	262,121

Legal Representative:	*Chief Financial Officer:*	*Financial Controller:*
Li Zhongze	**Dong Su**	**Li Yifeng**

II. FINANCIAL STATEMENTS (CONTINUED)

THE CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2026

RMB'000

Item	NOTE VII	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
I. Cash Flows from Operating Activities			
Cash receipts from the sale of goods and the rendering of services		177,629,377	198,282,825
Receipts of tax refunds		256,588	618,396
Other cash receipts relating to operating activities	67(1)	7,374,621	6,392,516
Sub-total of cash inflows from operating activities		185,260,586	205,293,737
Cash payments for goods purchased and services received		184,456,573	196,917,475
Cash payments to and on behalf of employees		13,299,846	13,913,010
Payments of various types of taxes		4,702,233	7,387,115
Other cash payments relating to operating activities	67(1)	5,602,891	9,061,115
Sub-total of cash outflows from operating activities		208,061,543	227,278,715
Net Cash Flow Used in Operating Activities	68(1)	(22,800,957)	(21,984,978)
II. Cash Flows from Investing Activities			
Cash receipts from disposal and recovery of investments		250,433	225,791
Cash receipts from investment income		141,853	82,415
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		165,330	113,485
Net cash receipts from disposals of subsidiaries and other business units	67(2)	26,042,923	150,797
Net cash receipts for acquisitions of subsidiaries and other business units		82,175	2,117,661
Other cash receipts relating to investing activities	67(2)	107,335	2,338,707
Sub-total of cash inflows from investing activities		26,790,049	5,028,856
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		2,024,591	2,017,837
Cash payments to acquire investments		1,626,013	3,529,253
Other cash payments relating to investing activities	67(2)	623,172	86,295
Sub-total of cash outflows from investing activities		4,273,776	5,633,385
Net Cash Flow from/(Used in) Investing Activities		22,516,273	(604,529)

II. FINANCIAL STATEMENTS (CONTINUED)

THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
For the six months ended 30 June 2026

RMB'000

Item	NOTE VII	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
III. Cash Flows from Financing Activities			
Cash receipts from capital contributions		511,111	18,081,926
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		511,111	82,846
Cash receipts from issue of perpetual bonds		–	17,999,080
Cash receipts from borrowings		33,175,009	113,928,725
Other cash receipts relating to financing activities	67(3)	75,458	141,325
Sub-total of cash inflows from financing activities		33,761,578	132,151,976
Cash repayments of borrowings		33,460,731	84,927,194
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,078,821	3,127,097
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		158,972	41,809
Other cash payments relating to financing activities	67(3)	8,041,347	19,357,393
Sub-total of cash outflows from financing activities		43,580,899	107,411,684
Net Cash Flow (Used in)/from Financing Activities		(9,819,321)	24,740,292
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(186,635)	5,592
V. Net (Decrease)/Increase in Cash and Cash Equivalents		(10,290,640)	2,156,377
Add: Opening balance of cash and cash equivalents		69,486,260	43,190,604
VI. Closing Balance of Cash and Cash Equivalents	68(2)	59,195,620	45,346,981

Legal Representative: **Li Zhongze** | *Chief Financial Officer:* **Dong Su** | *Financial Controller:* **Li Yifeng**

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S CASH FLOW STATEMENT

For the six months ended 30 June 2026

RMB'000

Item	NOTE XVII	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
I. Cash Flows from Operating Activities			
Cash receipts from the sale of goods and the rendering of services		502,266	214,429
Other cash receipts relating to operating activities		302,247	344,766
Sub-total of cash inflows from operating activities		804,513	559,195
Cash payments for goods purchased and services received		577,820	177,673
Cash payments to and on behalf of employees		97,607	88,614
Payments of various types of taxes		83,699	10,918
Other cash payments relating to operating activities		195,440	371,855
Sub-total of cash outflows from operating activities		954,566	649,060
Net Cash Flow Used in Operating Activities	12(1)	(150,053)	(89,865)
II. Cash Flows from Investing Activities			
Cash receipts from investment income		3,687,998	540,159
Net cash receipts from disposals of subsidiaries and other business units		26,041,658	–
Other cash receipts relating to investing activities		15,559,915	10,974,935
Sub-total of cash inflows from investing activities		45,289,571	11,515,094
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		3,243	6,000
Cash payments to acquire investments		8,518,993	200,000
Other cash payments relating to investing activities		43,830,181	20,059,000
Sub-total of cash outflows from investing activities		52,352,417	20,265,000
Net Cash Flow Used in Investing Activities		(7,062,846)	(8,749,906)

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S CASH FLOW STATEMENT (CONTINUED)

For the six months ended 30 June 2026

RMB'000

Item	NOTE XVII	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
III. Cash Flows from Financing Activities			
Cash receipts from capital contributions		–	17,999,080
Cash receipts from borrowings		–	65,696,061
Other cash receipts relating to financing activities		166,192,974	190,551,393
Sub-total of cash inflows from financing activities		166,192,974	274,246,534
Cash repayments of borrowings		1,600,000	58,600,000
Cash payments for distribution of dividends or profits or settlement of interest expenses		678,876	1,180,012
Other cash payments relating to financing activities		165,099,700	210,008,350
Sub-total of cash outflows from financing activities		167,378,576	269,788,362
Net Cash Flow (Used in)/from Financing Activities		(1,185,602)	4,458,172
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(45,059)	373
V. Net Decrease in Cash and Cash Equivalents		(8,443,560)	(4,381,226)
Add: Opening balance of cash and cash equivalents		23,228,983	8,354,373
VI. Closing Balance of Cash and Cash Equivalents	12(2)	14,785,423	3,973,147

Legal Representative: **Li Zhongze**

Chief Financial Officer: **Dong Su**

Financial Controller: **Li Yifeng**

II. FINANCIAL STATEMENTS (CONTINUED)

THE CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2026

RMB'000

	For the six months ended 30 June 2026 (unaudited)									
	Equity attributable to shareholders of the Company									
Item	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Minority interests	Total shareholders' equity
I. Closing balance of the prior year	20,723,619	54,100,000	23,549,164	–	629,544	1,688,552	3,782,468	51,289,390	27,796,701	183,559,438
II. Opening balance of the current period	20,723,619	54,100,000	23,549,164	–	629,544	1,688,552	3,782,468	51,289,390	27,796,701	183,559,438
III. Changes for the period	(32,000)	–	7,824	259,442	(128,191)	370,818	–	958,050	395,516	1,312,575
(I) Total comprehensive (loss)/income	–	–	–	–	(165,139)	–	–	2,326,127	698,445	2,859,433
(II) Shareholders' contributions and reduction in capital	(32,000)	–	7,824	259,442	–	–	–	–	543,233	259,615
1. Ordinary shares contributed by shareholders	–	–	–	–	–	–	–	–	511,111	511,111
2. Repurchase/cancellation ordinary shares	(32,000)	–	(17,318)	259,442	–	–	–	–	–	(308,760)
3. Capital contribution from holders of other equity instruments (Note VII, 44)	–	–	–	–	–	–	–	–	(902)	(902)
4. Acquisition of subsidiaries	–	–	–	–	–	–	–	–	21,172	21,172
5. Others	–	–	25,142	–	–	–	–	–	11,852	36,994
(III) Profit distribution	–	–	–	–	–	–	–	(1,331,129)	(875,532)	(2,206,661)
1. Distribution to shareholders	–	–	–	–	–	–	–	–	(839,532)	(839,532)
2. Distribution of interest on perpetual bonds	–	–	–	–	–	–	–	(1,331,129)	(36,000)	(1,367,129)
(IV) Transfers within shareholders' equity	–	–	–	–	36,948	–	–	(36,948)	–	–
1. Other comprehensive income transferred to retained earnings	–	–	–	–	36,948	–	–	(36,948)	–	–
(V) Special reserve	–	–	–	–	–	370,818	–	–	29,370	400,188
1. Transfer to special reserve in the period	–	–	–	–	–	3,733,924	–	–	58,166	3,792,090
2. Amount utilised in the period	–	–	–	–	–	(3,363,106)	–	–	(28,796)	(3,391,902)
IV. Closing balance of the current period	20,691,619	54,100,000	23,556,988	259,442	501,353	2,059,370	3,782,468	52,247,440	28,192,217	184,872,013

II. FINANCIAL STATEMENTS (CONTINUED)

THE CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

For the six months ended 30 June 2026

RMB'000

	For the six months ended 30 June 2025 (unaudited)								
	Equity attributable to shareholders of the Company								
Item	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Minority interests	Total shareholders' equity
I. Closing balance of the prior year	20,723,619	50,600,000	23,460,671	751,118	1,024,967	3,782,468	52,700,255	29,292,768	182,335,866
II. Opening balance of the current period	20,723,619	50,600,000	23,460,671	751,118	1,024,967	3,782,468	52,700,255	29,292,768	182,335,866
III. Changes for the period	–	(3,000,000)	(14,310)	(14,444)	490,030	–	624,316	177,993	(1,736,415)
(I) Total comprehensive (loss)/income	–	–	–	(13,674)	–	–	3,099,278	961,074	4,046,678
(II) Shareholders' contributions and reduction in capital	–	(3,000,000)	(14,310)	–	–	–	–	(745,539)	(3,759,849)
1. Ordinary shares contributed by shareholders	–	–	–	–	–	–	–	82,846	82,846
2. Capital contribution from holders of other equity instruments (Note VII,44)	–	18,000,000	(19,764)	–	–	–	–	–	17,980,236
3. Capital reduction from holders of other equity instruments (Note VII,44)	–	(21,000,000)	–	–	–	–	–	–	(21,000,000)
4. Acquisition of subsidiaries	–	–	–	–	–	–	–	11,795	11,795
5. Others	–	–	5,454	–	–	–	–	(840,180)	(834,726)
(III) Profit distribution	–	–	–	–	–	–	(2,475,732)	(41,809)	(2,517,541)
1. Distribution to shareholders	–	–	–	–	–	–	(1,160,523)	(41,809)	(1,202,332)
2. Distribution of interest on perpetual bonds	–	–	–	–	–	–	(1,315,209)	–	(1,315,209)
(IV) Transfers within shareholders' equity	–	–	–	(770)	–	–	770	–	–
1. Other comprehensive income transferred to retained earnings	–	–	–	(770)	–	–	770	–	–
(V) Special reserve	–	–	–	–	490,030	–	–	4,267	494,297
1. Transfer to special reserve in the period	–	–	–	–	4,887,943	–	–	17,985	4,905,928
2. Amount utilised in the period	–	–	–	–	(4,397,913)	–	–	(13,718)	(4,411,631)
IV. Closing balance of the current period	20,723,619	47,600,000	23,446,361	736,674	1,514,997	3,782,468	53,324,571	29,470,761	180,599,451

Legal Representative:	*Chief Financial Officer:*	*Financial Controller:*
Li Zhongze	**Dong Su**	**Li Yifeng**

II. FINANCIAL STATEMENTS (CONTINUED)

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2026

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)								
	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive loss	Special reserve	Surplus reserve	(Accumulated losses)/ Retained profits	Total shareholders' \equity
I. Opening balance of the current period	20,723,619	54,100,000	37,823,082	–	(21,414)	12,550	3,782,468	(2,785,151)	113,635,154
II. Changes for the period	(32,000)	–	(17,318)	259,442	(3,809)	–	–	4,521,398	4,208,829
(I) Total comprehensive (loss)/ income	–	–	–	–	(3,809)	–	–	5,852,527	5,848,718
(II) Owners' contributions and reduction in capital	(32,000)	–	(17,318)	259,442	–	–	–	–	(308,760)
1. Repurchase/ cancellation ordinary shares	(32,000)	–	(17,318)	259,442	–	–	–	–	(308,760)
2. Capital contribution from holders of other equity instruments	–	–	–	–	–	–	–	–	–
3. Others	–	–	–	–	–	–	–	–	–
(III) Profit distribution	–	–	–	–	–	–	–	(1,331,129)	(1,331,129)
1. Distribution to shareholders	–	–	–	–	–	–	–	–	–
2. Distribution of interest on perpetual bonds	–	–	–	–	–	–	–	(1,331,129)	(1,331,129)
III. Closing balance of the current period	20,691,619	54,100,000	37,805,764	259,442	(25,223)	12,550	3,782,468	1,736,247	117,843,983

II. FINANCIAL STATEMENTS (CONTINUED)

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

For the six months ended 30 June 2026

RMB'000

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

Legal Representative:	*Chief Financial Officer:*	*Financial Controller:*
Li Zhongze	**Dong Su**	**Li Yifeng**

III. BASIC INFORMATION

1. General

Metallurgical Corporation of China Ltd. (the "Company") was established as a joint stock limited liability company by China Metallurgical Group Corporation ("CMGC") and China Baowu Steel Group Corporation ("CBSGC", formerly named as Baosteel Group Corporation) as promoters on 1 December 2008 and was registered in Beijing, the People's Republic of China (the "PRC"), upon the approval by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (the "SASAC") of Approval for CMGC's Group Restructuring and Dual Listing in Domestic and Overseas Markets (Guozi Reform [2008] No. 528) issued on 10 June 2008. SASAC is the ultimate controlling party of the Company. Upon establishment of the Company, the share capital of the Company was RMB13 billion, representing 13 billion ordinary shares of RMB1.0 each. On 14 September 2009, the Company issued 3,500,000,000 A shares of the Company to domestic investors and these A shares of the Company were listed on the Shanghai Stock Exchange on 21 September 2009, and 2,610,000,000 H shares of the Company were issued on 16 September 2009 and listed on the Main Board of The Stock Exchange of Hong Kong Ltd. (the "Hong Kong Stock Exchange") on 24 September 2009. During the course of the issue of A shares and H shares of the Company, CMGC and CBSGC transferred state-owned shares with a total amount of 350,000,000 A shares and 261,000,000 H shares of the Company to National Council for Social Security Fund ("NSSF") of the PRC, of which 261,000,000 H shares held by NSSF were sold by the Company during the issuance of H shares, in accordance with the "Letter on the Entrustment to Sell State-owned Shares Held by the NSSF in Metallurgical Corporation of China Ltd.". Upon completion of the public offering of A shares and H shares above, the total share capital of the Company increased to RMB19.11 billion.

Pursuant to the special mandate granted by the shareholders at the 2016 First Extraordinary General Meeting, the 2016 First A Shareholders' Class Meeting and the 2016 First H Shareholders' Class Meeting, having received the Approval in Relation to the Non-public Issuance of Shares by Metallurgical Corporation of China Ltd. (Zheng Jian Xu Ke [2016] No. 1794) from the China Securities Regulatory Commission (the "**CSRC**"), the Company completed a private placement of 1,613,619,000 ordinary A shares with a par value of RMB1 per share to specific investors on 26 December 2016. Upon completion of the Non- Public Issuance, the share capital of the Company increased to RMB20,723,619,000, and CMGC remains as the controlling shareholder of the Company.

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

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

In September and November 2019, CMGC purchased the central enterprise innovation driven ETF fund with 224,685,000 shares of the Company. CMGC's proportion of shareholding and voting rights upon the Company decreased from 56.18% to 55.10% subsequent to the completion of purchase and CMGC is still the controlling shareholder of the Company.

III. BASIC INFORMATION (CONTINUED)

1. General (Continued)

In May 2020, CMGC transferred its 1,227,760,000 A shares of the Company (accounting for 5.92% of the Company's total share capital) to China National Petroleum Corporation ("CNPC") for free. After the completion of the free transfer, CMGC's proportion of shareholding and voting rights upon the Company decreased from 55.10% to 49.18%.

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

On 16 January 2026, the Company convened its First Extraordinary General Meeting of Shareholders in 2026 and approved resolutions on the proposal for repurchasing its A shares and authorising the repurchase of its H shares, agreeing to use its own funds to repurchase a portion of issued A Shares and H shares via centralised bidding transactions. As of 30 June 2026, the Company has cumulatively repurchased 85,731,626 A shares, representing 0.4143% of the Company's total share capital, and has cumulatively repurchased 32,000,000 H shares, representing 0.1544% of the Company's total share capital. The repurchased H shares were fully cancelled on 2 June 2026. Upon the cancellation, the Company's total share capital was reduced to RMB20,691,619,000.

The principal operating activities of the Company and its subsidiaries (the "**Group**") have no significant changes during the reporting period. During the reporting period, the Group established a new business system layout known as "One Core, Two Main Bodies and Five Features", namely taking metallurgical construction as the core, industrial construction and infrastructure construction as the two main bodies, and engineering services, new materials, high-end equipment, energy and environmental protection, as well as digital and intelligent applications as the five featured businesses.

The financial statements had been approved by the board of directors of the Company on 28 August 2026.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

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

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

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

2. Going concern

The Group assessed its ability to continue as a going concern for the 12 months from 30 June 2026 and did not notice any events or circumstances that may cast significant doubt upon its ability to continue as a going concern. As such, these financial statements have been prepared on a going concern basis.

3. Basis of accounting and principle of measurement

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

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

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

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

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly;
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance

These financial statements are in compliance with the ASBEs to truly and completely reflect consolidated and the Company's financial position at 30 June 2026 and consolidated and the Company's operating results, consolidated and the Company's changes in shareholders' equity and cash flows for the period then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e., from 1 January to 31 December. These financial statements are prepared for the six months ended 30 June 2026.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3. Business cycle

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

4. Functional currency

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

5. Methods of determining materiality criteria and selection basis

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

Item	Materiality criteria
Significant receivables for which credit loss allowance is made individually	The original value of individual provision for impairment is more than RMB1.5 billion or the amount of provision for impairment in the current period is more than RMB100 million
Significant amount of provision for bad debts of receivables recovered or reversed	The amount of individual provision for impairment recovered or reversed in the current period is more than RMB100 million
Significant receivables actually written off	The amount written off individually is more than RMB100 million
Significant changes in carrying amounts of contract assets	Changes in the carrying amount of contract assets account for more than 30% of the balance of contract assets assets at the beginning of the period
Significant construction in progress	Balance exceeds 0.05% of the Group's total assets at the end of the period
Significant non-wholly owned subsidiaries	Net assets of subsidiaries account for more than 5% of the Group's net assets, or the non-controlling interest of a single subsidiary accounts for more than 1% of the Group's net assets

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

Item	Materiality criteria
Significant joint ventures or associates	The carrying amount of long-term equity investment in a single investee accounts for more than 5% of the Group's net assets, or the investment profit and loss under the equity method of long-term equity investment accounts for more than 10% of the Group's consolidated net profit
Significant receipts in advance/contract liabilities aged over 1 year	The balance of receipts in advance/contract liabilities aged over 1 year individually accounts for more than 10% of the balance of receipts in advance/contract liabilities at the beginning of the period and is more than RMB100 million
Significant changes in the carrying amounts of receipts in advance/contract liabilities	The balance of changes in receipts in advance/contract liabilities individually accounts for more than 10% of the balance of receipts in advance/contract liabilities at the beginning of the period
Significant accounts payable/other payables aged over 1 year	The balance of accounts payable/other payables aged over 1 year individually accounts for more than 10% of the balance of accounts payable/other payables at the beginning of the period
Significant overdue accounts payable/other payables	The balance of overdue accounts payable/other payables individually accounts for more than 5% of the balance of accounts payable/other payables at the beginning of the period

6. Business combinations

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

6.1 Business combinations involving enterprises under common control

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Business combinations (Continued)

6.2 Business combinations not involving enterprises under common control and goodwill

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

7. Consolidated financial statements

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

In preparing the consolidated financial statements, where the accounting policies or the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and accounting periods of the Company. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess shall still be allocated against the non-controlling interests.

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Consolidated financial statements (Continued)

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

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

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

8. Classification of joint arrangement and joint operation

There are only two types of joint arrangements – joint operations and joint ventures.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint ventures are accounted for using the equity method.

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. When the Group undertakes its activities under joint operations, the Group as a joint operator recognised in relation to its interest in a joint operation: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly. The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the provision applicable to the particular assets, liabilities, revenue and expenses.

9. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

10.1 Transactions denominated in foreign currencies

The Group converts the foreign currency amount into the accounting base currency amount for foreign currency transactions that occur.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

10.1 Transactions denominated in foreign currencies (Continued)

At the time of initial recognition of a foreign currency transaction, the amount in the foreign currency is converted into the base currency of account using the spot exchange rate on the date of the transaction, but the capital invested by the investor in the foreign currency is converted at the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the period, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period.

When preparing financial statements involving foreign operations, if there are any foreign currency monetary items which in substance form part of the net investment in the foreign operations, exchange differences arising from the changes of foreign currency should be recorded as other comprehensive income, and will be reclassified to profit or loss upon disposal of the foreign operations.

Non-monetary items that are measured in terms of historical cost in a foreign currency are still translated using the exchange rate used at the time of initial recognition, and the amount in the base currency of accounting remains unchanged. Non-monetary items measured at fair value in a foreign currency are translated at the spot exchange rate on the date of fair value determination, and the resulting difference is recognised in profit or loss or other comprehensive income for the current period according to the nature of the non-monetary items.

10.2 Translation of financial statements denominated in foreign currency

For the purpose of preparing consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the spot exchange rates on the dates of the transactions; the opening balance of retained earnings is the translated closing balance of the previous year's retained earnings; and the closing balance of retained earnings is calculated and presented on the basis of each translated income statement and profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recorded as other comprehensive income.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of foreign exchange rate changes on cash and cash equivalents".

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognised amounts. When the Group recognises the accounts receivable excluding significant financing component or does not consider the financing component in the contract within one year in accordance with the Accounting Standards of Business Enterprise No. 14 – Revenue (hereinafter referred to as "New Standards for Revenue", the standards for revenue before modification are to be referred to as "Former Standards for Revenue"), the accounts receivable on initial recognition is measured at transaction price defined in New Standards for Revenue.

The amortised cost of a financial asset or a financial liability is an accumulatively amortised amount arising from the initially recognised amount of the financial asset or the financial liability deducting repaid principals plus or less amortisation of the differences between the initially recognised amount on initial recognition and the amount on maturity date using the effective interest method, and then deducting accumulated provisions for losses (only applicable to financial assets).

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability without considering expected credit losses.

11.1 Classification, recognition and measurement of financial assets

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

11.1.1 Financial assets measured at amortised cost

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group shall classify the financial asset into the financial asset measured at amortised cost. The Group's financial assets measured at amortised cost include cash and bank balances, notes receivable, accounts receivable, other receivables, non-current assets due within one year and long-term receivables (those due within one year are presented as non-current assets due within one year).

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

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

11.1.1 Financial assets measured at amortised cost (Continued)

For financial assets measured at amortised cost, the Group recognises interest income using effective interest rate method. The Group calculates and recognises interest income through the carrying amount of financial assets multiplying effective interest rate, except for the following circumstances:

(1) For purchased or originated credit-impaired financial assets with credit impairment, the Group calculates and recognises its interest income based on amortised cost of the financial asset and the effective interest rate through credit adjustment since initial recognition.

(2) For purchased or originated financial assets without credit impairment incurred while with credit impairment incurred in subsequent periods, the Group calculates and recognises its interest income based on amortised cost of the financial asset and the effective interest rate in subsequent periods. If the credit risk of the financial asset is reduced during subsequent periods and credit impairment does not exist, and the improvement is linked with an event occurred after application of above provisions, the Group shall calculate and recognise interest income through the carrying amount of financial assets multiplying effective interest rate.

11.1.2 Financial assets at fair value through other comprehensive income ("FVTOCI")

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, the Group shall classify the financial asset into the financial assets at FVTOCI.

Impairment losses or gains related to financial assets, interest income measured using effective interest rate method and exchange gains or losses are recognised into profit or loss for the current period. Except for the above circumstances, changes in fair value of the financial assets are included in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income shall be removed from other comprehensive income and recognised in profit or loss.

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

11.1.3 Financial assets classified as at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL include financial assets at FVTPL and those designated as at FVTPL.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are categorised into financial assets measured at FVTPL.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

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

11.1.3 Financial assets classified as at fair value through profit or loss ("FVTPL") (Continued)

On initial recognition, the Group may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The Group's financial assets measured at FVTPL include monetary funds, tradable equity instrument investments, and investments in unlisted funds and trust products, which are presented under the items "held-for-trading financial assets" and "other non-current financial assets" in the balance sheet. The Group has no financial assets designated as at FVTPL.

11.1.4 Financial assets designated as at fair value through other comprehensive income ("FVTOCI")

On initial recognition, the Group may irrevocably designate a non-tradable equity instrument investments as financial assets measured at FVTOCI.

The financial assets designated as at FVTOCI are presented under the item "investments in other equity instrument". Changes in fair value of non-tradable equity investments should be recognised in other comprehensive income, and when the financial assets are derecognised, the accumulative gains or losses previously recognised in other comprehensive income shall be transferred out from other comprehensive income and recognised in retained earnings. During the period that the Group holds these non-tradable equity instruments, the Group has established the right of collecting dividends, whose economic benefit is probable flow into the Group, and the amount of the dividends can be reliably measured, then the Group recognises dividend income in profit or loss.

11.2 Impairment of financial instruments

The Group shall recognise an impairment loss for expected credit losses on financial assets measured at amortised cost, financial assets at FVTOCI, contract assets and financial guarantee contracts.

The Group measures loss reserves for contract assets and accounts receivable formed by transactions regulated by income standards that do not include significant financing components or do not consider the financing components in contracts that do not exceed one year at an amount equivalent to the expected credit loss over the entire duration.

For other financial instruments, the Group assesses changes in credit risks of the relevant financial instruments since initial recognition at each balance sheet date. If the credit loss of the financial instruments has been significantly increased since initial recognition, the Group will make a loss allowance at an amount of expected credit loss during the whole life; if not, the Group will make a loss allowance for the financial instruments at an amount in the future 12-month expected credit losses. The increased or reversed amount of credit is recognised in profit or loss as impairment loss or gain. The Group has made a loss allowance against the amount of expected credit losses during the whole life in the prior accounting period. However, at the balance sheet date, the credit risk on a financial instrument has not increased significantly since initial recognition, so the Group will measure the loss allowance for that financial instrument at an amount in the future 12-month expected credit losses. Reversed amount of loss allowance arising from such circumstances shall be included in profit or loss as impairment gains.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

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

11.2.1 Significant increase of credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instruments as at the reporting date with the risk of a default occurring on the financial instruments as at the date of initial recognition. For financial guarantee contracts, when applying the provision of impairment of financial instruments, the Group shall take the date when it becomes the party making an irrevocable undertaking as the initial confirmation date.

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

– Significant changes in internal price indicators as a result of a change in credit risk;

– Adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations;

– An actual or expected significant change in the operating results of the debtor;

– Significant adverse change in the regulatory, economic, or technological environment of the debtor;

– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring;

– Significant changes in circumstances expected to reduce the debtor's economic incentive to make scheduled contractual payments;

– Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the financial instruments;

– Significant changes in the expected performance and behaviour of the debtor.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase of credit risk (Continued)

At balance sheet date, if the Group considers that the financial instruments has only lower credit risk, the Group will assume that the credit risk of the financial instruments has not been significantly increased since initial recognition. If the risk of default on financial instruments is low, and the borrower's ability to meet its contractual cash flow obligations in the short term is strong, even if the economic situation and operating environment are adversely changed over a long period of time, it may not necessarily reduce the borrower's ability to fulfil its contractual cash flow obligations, and the financial instrument is considered to have a lower credit risk.

11.2.2 Credit-impaired financial assets

When the Group expected occurrence of one or more events which may cause adverse impact on future cash flows of a financial asset, the financial asset will become a credit-impaired financial assets. Objective evidence that a financial asset is impaired includes the following observable events:

– Significant financial difficulty of the issuer or debtor;

– A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;

– The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor;

– It becoming probable that the debtor will enter bankruptcy or other financial reorganisations;

– The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;

– Purchasing or originating a financial asset with a large scale of discount, which reflects the facts of credit loss incurred.

11.2.3 Determination of expected credit loss

The Group determines expected credit losses of relevant financial instruments using the following methods:

– For a financial asset, a credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive;

– For a financial guarantee contract, the credit loss is the present value of the differences between estimated amount paid by the Group for the credit losses incurred by the contract holder and the amount the Group expects to receive from the contract holder, the debtor or any other party;

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.3 Determination of expected credit loss (Continued)

The Group determines expected credit losses of relevant financial instruments using the following methods: (Continued)

– For a financial asset with credit-impaired at the balance sheet date, the credit loss is the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Portfolio categories and determination basis of impairment provision based on credit risk characteristics

The Group classifies receivables into different portfolio categories based on their credit risk characteristics, and determines credit losses for receivables under different portfolios using an impairment matrix.

Judgment criteria for individual provision of ECLs

If the credit risk characteristics of a counterparty are significantly different from those of other counterparties in the portfolio, a loss provision shall be made for the amount due from the counterparty individually. The Group assesses accounts receivable for which ECLs are individually accrued and accrues ECLs, taking into account reasonable and supportable information available in relation to the counterparty, including forward-looking information.

11.2.4 Write-down of financial assets

When the Group no longer reasonably expects that the contractual cash flows of financial assets can be collected in aggregate or in part, the Group will directly write down the carrying amount of the financial asset, which constitutes derecognition of relevant financial assets.

11.3 Transfer of financial assets

The Group will derecognise a financial asset if one of the following conditions is satisfied: (i) the contractual rights to the cash flows from the financial asset expires; (ii) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; or (iii) the financial asset has been transferred, and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but the Group has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, the Group will recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognise an associated liability.

If a transfer of a financial asset in its entirety satisfies the derecognition criteria, for financial asset categorised into those measured at amortised cost, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer is recognised in profit or loss; for the non-tradable equity instruments designated as financial assets at FVTOCI, the cumulative gain or loss that has been recognised in other comprehensive income should be transferred out from other comprehensive income but be recognised in retained earnings.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.3 Transfer of financial assets (Continued)

If a transfer of a financial asset partially satisfies the derecognition criteria, the carrying amount of the transferred financial asset is allocated between the part that is derecognised and the part that is continuously involved, based on the respective fair values of those parts on transfer date. The difference between the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised in other comprehensive income; and the carrying amount allocated to the part derecognised on derecognition date; is recognised in profit or loss or retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognise the transferred financial asset in its entirety. Considerations received due to transfer of assets should be recognised as a liability upon receipts.

11.4 Classification and measurement of financial liabilities

Financial instruments issued by the Group are classified into financial liabilities or equity instruments based on the substance of the business and contractual arrangements other than its legal form, together with the definition of financial liability and equity instruments on initial recognition.

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

11.4.1 Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL consist of financial liabilities held for trading (including derivatives classified as financial liabilities) and those designated as at FVTPL.

Financial liabilities meet one of the following conditions, indicating that the Group's purpose of undertaking the financial liabilities is for trading:

- The purpose of undertaking relevant financial liabilities is mainly for the recent repurchase;
- The relevant financial liabilities are part of the centrally managed identifiable financial instrument portfolio at initial recognition, and there is objective evidence that short-term profits will occur in the near future;
- Related financial liabilities are derivatives, except for derivatives that meet the definition of a financial guarantee contract and are designated as effective hedging instruments.

Financial liabilities held for trading are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest expenses paid on the financial liabilities are recognised in profit or loss.

The Group's financial liabilities measured at FVTPL are derivatives classified as financial liabilities which are presented as "derivative financial liabilities" in the balance sheet.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.4 Classification and measurement of financial liabilities (Continued)

11.4.2 Financial liabilities measured at amortised cost

Other financial liabilities, except for financial liabilities arising from transfer of financial assets which does not satisfy derecognition criteria or continuous involvement of transferred financial assets and financial guarantee contracts liability, are subsequently measured at amortised cost, with gain or loss arising from derecognition or amortisation recognised in profit or loss. The Group's financial liabilities measured at amortised cost include notes payable, accounts payable, other payables, long-term payables, loans and bonds payable etc.

If the Group and its counterparty modify or renegotiate the contract and do not lead to derecognition of a financial liability subsequently measured at amortised cost but result in changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognised in profit or loss. The Group will determine carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the financial liability's original effective interest rate. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and amortised during the remaining term of the modified financial liability.

If the term of the financial liability measured at amortised cost is within one year (inclusive), the financial liability is presented as current liability; if the financial liability is with the term over one year but will fall due within one year (inclusive) since the balance sheet date, it is presented as non-current liability due within one year; others are presented as non-current liability.

11.4.3 Financial guarantee contracts

A financial guarantee contract is a contract by which the issuer is required to compensate a specific amount to the contract holder suffering losses in the case where the specific debtor fails to settle the debt in accordance with the initial or revised terms of debt instrument when the debt falls due. After initial recognition, the Group measure financial guarantee contracts at the higher of: amount of loss allowance; and the amount initially recognised less cumulative amortisation recognised in accordance with related terms of Standards for Revenue.

11.5 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing debtor) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The issuance (including refinance), repurchase, selling or cancellation of these instruments are treated as change in equity. Change of fair value of equity instruments is not recognised by the Group. The related transaction costs are deducted from equity.

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

11.7 Derivatives

Derivatives of the Group include forward foreign exchange settlement contracts and currency swap contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. Changes are recognised in profit or loss.

11.8 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

12. Inventories

12.1 Classification and initial measurement

The Group's inventories are initially measured at cost. Inventories mainly include raw materials, material procurement, outsourced processing materials, work in progress, finished goods, materials in transit, properties under development, completed properties held for sale etc.

Performance costs of contracts classified as current assets are presented under inventories.

12.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the first-in-first-out or weighted average method. Cost of finished goods and work in progress comprise all costs of materials, direct labour costs and other manufacturing overheads allocated on a normal production capacity and systematic basis.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Inventories (Continued)

12.3 Basis for determining net realisable value of inventories and provision methods for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realisable value is determined based on clear evidence obtained, taking into consideration the purposes of holding inventories and effect of post balance sheet events.

12.4 Inventory count system

The perpetual inventory system is maintained for stock system.

12.5 Amortisation method for low cost and short-lived consumable items and packaging materials

Materials in transit include packaging materials and low cost and short-lived consumable items. Packaging materials and low cost and short-lived consumable items are amortised using either one-off amortisation method or multiple-stage amortisation method.

12.6 Properties under development and completed properties held for sale

Costs of properties under development and completed properties held for sale mainly consist of acquisition cost of land use rights, expenditures of land development, infrastructure costs, construction costs, capitalised borrowing costs and other relevant costs. The expenditure of development land is included in the development cost. The construction expenditures of public facilities (the facilities approved by the relevant government departments such as roads) form part of property development costs and are allocated to respective individual properties projects. Development costs are capitalised as developed products after completion of construction.

13. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, associates and joint ventures.

Subsidiaries are the companies that are controlled by the Company. Associates are the companies over which the Group has significant influence. Joint ventures are joint arrangements over which the Group has joint control along with other investors and has rights to the net assets of the joint arrangement.

The Company accounts for the investment in subsidiaries at historical cost in the Company's financial statements. Investments in joint ventures and associates are accounted for under equity method.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.1 Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the share of the carrying amount of the shareholders' equity of the acquiree attributable to the ultimate controlling party at the date of combination. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition. For a business combination not involving enterprises under common control achieved in stages that involves multiple exchange transactions, the initial investment cost is carried at the aggregate of the carrying amount of the acquirer's previously held equity interest in the acquiree and the new investment cost incurred on the acquisition date.

Regarding the long-term equity investment acquired otherwise than through a business combination, if the long-term equity investment is acquired by cash, the historical cost is determined based on the amount of cash paid and payable; if the long-term equity investment is acquired through the issuance of equity instruments, the historical cost is determined based on the fair value of the equity instruments issued.

13.2 Subsequent measurement and recognition of profit or loss

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

If the long-term equity investment is accounted for at cost, it should be measured at historical cost. Cash dividend or profit declared by the investee should be accounted for as investment income.

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

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets at the acquisition date after making appropriate adjustments to be in compliance with the Group's accounting policies and accounting period. The Group's share of net losses of the investee is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume further losses. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as an investment loss for the period. For the changes in equity in addition to the net profit or loss, other comprehensive income and profits distribution, the carrying value of long-term equity investment is adjusted when the investee declares dividend distribution and included in shareholders' equity. The

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

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

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

Group recognises its share of the dividends of the investee by reducing the carrying value of the investment. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated if the trading assets do not form a business. Unrealised losses are resulted from the Group's transactions with its associates and joint ventures, and the assets impairment losses are not eliminated.

13.3 Basis for determining control, joint control and significant influence over investee

Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

13.4 Impairment loss of long-term equity investments

If the recoverable amounts of investments in subsidiaries, joint ventures and associates are less than their carrying amounts, an impairment loss should be recognised to reduce the carrying amounts to the recoverable amounts (Note V,19)

14. Investment properties

Investment properties refer to real estate held for rent or capital appreciation, or both.

Investment properties are initially measured at cost. Subsequent expenditures related to investment properties are included in the cost of investment properties when the relevant economic benefits are likely to flow into the Group and the cost can be reliably measured; Otherwise, they are included in profit or loss when incurred.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Investment properties (Continued)

The Group uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortisation policy for the investment property according to estimated useful lives and net residual value for buildings or land use rights. The estimated useful lives, estimated net residual values and annual depreciation (amortisation) rates of investment properties by category are as follows:

	Estimated useful life	Residual value rate	Annual depreciation (amortisation) rate
	(years)	*(%)*	*(%)*
Buildings and structures	15-40	3-5	2.38-6.47
Land use rights	40-70	–	1.43-2.50

When the purpose of the investment properties is changed to self-use, the investment properties are transferred to fixed assets or intangible assets from the date the purpose is changed. When the purpose of the self-use buildings or land use rights are changed to held for earning rentals or capital appreciation, the buildings are transferred from fixed assets or intangible assets to investment properties from the date the purpose is changed. When a conversion occurs, the carrying amount before the conversion is used as the entry value after the conversion.

The estimated useful lives, estimated residual values and depreciation (amortisation) rates of investment properties are reviewed and adjusted as appropriate at each year-end.

When an investment property is sold or retired from its use and is expected to be unable to recover economic benefits from disposal, the investment property should be de-recognised. When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

If the recoverable amounts of the investment properties are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V,19).

15. Fixed assets

15.1 Recognition criteria for fixed assets

Fixed assets include buildings and structures, machinery and equipment, transportation vehicles, office equipment and others.

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured. Purchased or constructed fixed assets are initially measured at cost when acquired. During the course of transformation of the Company into a limited liability company, the initial costs of fixed assets injected by the State-owned shareholder were measured based on the valuation amounts approved by the State-owned assets management authority.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (Continued)

15.1 Recognition criteria for fixed assets (Continued)

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. When old-fixed asset items are replaced by other new fixed asset items, the old-fixed asset items should be de-recognised. Other subsequent expenditures are recognised in profit or loss or cost of related assets according to the beneficiary.

15.2 Depreciation of each category of fixed assets

Fixed asset is depreciated based on the cost of fixed asset recognised less estimated net residual value over its useful life using the straight-line method. For the impaired fixed asset, depreciation is calculated based on the carrying amount of the fixed asset after impairment over the estimated remaining useful life of the asset. The estimated useful lives, estimated residual values and annual depreciation rate of fixed assets are reviewed at each year end date to assess if any change is needed. The estimated useful life, estimated net residual value and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation method	Useful life *(year)*	Residual value rate *(%)*	Annual depreciation rate *(%)*
Ordinary buildings and structures	Straight-line method	15-40	3-5	2.38-6.47
Temporary buildings and structures	Straight-line method	3-5	3-5	19.00-32.33
Machinery and equipment	Straight-line method	3-14	3-5	6.79-32.33
Transportation vehicles	Straight-line method	5-12	3-5	7.92-19.40
Office equipment and others	Straight-line method	5-12	3-5	7.92-19.40

15.3 Derecognition and impairment

If a fixed asset is disposed of or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

If the recoverable amounts of the fixed assets are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V,19).

16. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction, installation costs, borrowing costs capitalised and other expenditures incurred until such time as the relevant assets are completed and ready for the intended use. When the asset concerned is ready for its intended use, the cost of the asset is transferred to fixed assets and depreciated starting from the following month.

If the recoverable amounts of the construction in progress are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V,19).

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss.

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows: where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds; or where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

18. Intangible assets

The Group's intangible assets include land use rights, mining rights, the right to use of the franchise, software, patent and proprietary technology, trademark right and others. Intangible assets are measured initially at cost. During the course of transformation of the Company into a limited liability company, the initial costs of intangible assets injected by the State-owned shareholder were measured based on the valuation amount approved by the State-owned assets management authority.

18.1 Land use rights

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

18.2 Mining rights

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

18.3 Right to use of the franchise

The Group engages in certain service concession arrangements in which the Group carries out construction work for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority. The assets under the concession arrangements may be classified as intangible assets or receivables from the granting authority.

The Group recognises revenue and a financial asset to the extent that it has an unconditional contractual right to receive specified or determinable amount of cash or another financial assets from the granting authority, or to receive the shortfall from the granting authority, if any, between amounts received from users of the public service and specified or determinable amounts.

According to the contract, the Group has the right to charge fees from the service recipients during a certain operating period after the related infrastructure construction is completed. If the charge amount is undetermined, this right does not constitute any right of collecting cash unconditionally. The Group recognises revenue and intangible assets simultaneously.

The Group classifies the non-current assets linked to the long-term investment in these concession arrangements as “concession assets” within intangible assets on the balance sheet if the intangible asset model is adopted. Once the underlying infrastructure of the concession arrangements has been completed, the concession assets will be amortised over the term of the concession on the straight-line or traffic flow basis under the intangible asset model.

If the financial asset model is applied, the Group recognises financial assets resulted from the concession arrangement in its balance sheet. Financial assets are measured in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

18.4 Software

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

18.5 Patent and proprietary technologies

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

18.6 Internal research and development expenditures

Internal research and development project expenditures were classified into research expenditures and development expenditures depending on its nature and the greater uncertainty whether the research activities becoming intangible assets.

Expenditure during the research phase is recognised as an expense in the period in which it is incurred. Expenditure during the development phase that meets all of the following conditions at the same time is recognised as an intangible asset:

(1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

(2) The Group has the intention to complete the intangible asset and use or sell it;

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

18.6 Internal research and development expenditures (Continued)

(3) The Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;

(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

Expenditures that do not meet all of the above conditions at the same time are recognised in profit or loss when incurred. Expenditures that have previously been recognised in profit or loss would not be recognised as an asset in subsequent years. Those expenditures capitalised during the development stage are recognised as development costs incurred and will be transferred to intangible assets when the underlying project is ready for an intended use.

19. Impairment of non-current assets other than financial assets

The Company assesses at each balance sheet date whether there is any indication that the fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, investment properties measured at historical cost, investments in subsidiaries, joint ventures and associates may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flow estimated to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

Goodwill arising from a business combination is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset group that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss is firstly used to reduce the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then used to reduce the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, on a pro-rata basis of the carrying amount of each asset.

Once the impairment loss of such assets is recognised, it will not be reversed in any subsequent period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Long-term prepaid expenses

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

21. Employee benefits

21.1 Short-term employee benefits

Short-term employee benefits include salaries, bonus, subsidies, staff benefits, social security charges (including medical insurance, work-related injury insurance and maternity insurance, etc.), housing funds, labour union expenditures and personal education.

During the accounting period in which the employees provide services, the Group's actual short-term remuneration is recognised as liabilities and included in the profits or losses of the current year or recognised as respective assets costs. At the time of actual occurrence, The Group's employee benefits are recorded into the profits and losses of the current year or the cost of relevant assets according to the actual amount. The non-monetary employee benefits are measured at fair value.

Regarding the health insurance, industrial injury insurance, maternity insurance and other social insurances, housing fund and labour union expenditure and personnel education that the Group paid for employees, the Group should recognise corresponding employee benefit payables and include these expenses in the profits or losses of the current year or recognised as respective assets costs.

21.2 Post-employment benefits

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

All the employees of the Group enjoy and participate in the endowment insurance plans set by local government, which are called defined contribution plans. The Group takes certain proportion (no more than the upper limit) out of employees' wages as endowment insurance, and pays to local labour and social security institutes. Corresponding expenses shall be included in the profits or losses of the period in which employees provide services or assets associated costs.

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

(1) service cost (including current service cost, past service cost, as well as gains and losses on settlements);

(2) net interest of net liabilities or assets of defined benefit plan (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and

(3) changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Employee benefits (Continued)

21.2 Post-employment benefits (Continued)

Unless other accounting standards require or permit to charge the employee benefits into assets cost, the Group charges (i) and (ii) mentioned above into profit or loss for the period, and recognises (iii) mentioned above as other comprehensive income without charging into profit or loss in later accounting periods.

Part of subsidiaries of the Group provide medical benefits to the retired employees. The costs of benefits are determined using the same accounting policies with defined benefit plans.

21.3 Termination benefits

Liabilities arising from termination benefits and staff early retirement plan are recognised after the specific termination clauses are agreed or passed to the employee. The Group should recognise the employee benefits liabilities related to the compensation of the employment termination and charge to profit or loss at the earlier of the time when (1) The Group cannot withdraw from the compensation plan of the employment termination by itself and (2) The Group recognises the costs or expenses of the reorganisation involving the compensation of termination. When the Group offers some compensation plans to encourage the employees to accept the termination of the labour relationship voluntarily, the termination benefits are recognised based on the expected number of employees who are willing to take the compensation plans. The specific terms of the termination and early retirement plans varies according to the occupation, seniority and location etc.

The Group provides early retirement benefits to employees who are willing to retire voluntarily. Early retirement benefits refer to wages and social security fees the Group pays to employees who retired earlier voluntarily with the approval of the management. Early retirement benefits are recognised in the period in which the Group has entered into an agreement with the employee specifying the terms of redundancy, or after the individual employee has been advised of the specific terms. The accounting treatments of early retirement benefits are referring to termination benefits. From the date on which the termination benefit requirements are fulfilled, the Group recognises monthly paid salaries and social benefits for these early retirees during the period from the date of early retirement to the normal retirement date as employee benefits payable and charges in profit or loss of the current year.

22. Provisions

Provisions are recognised when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the settlement date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows. The increase in the provision due to passage of time is recognised as interest expense.

If all or part of the provision settlements is reimbursed by third parties, when the realisation of income is virtually certain, then the related asset should be recognised. However, the amount of related asset recognised should not exceed the respective provision amount.

At the balance sheet date, the carrying amount of provision should be re-assessed to reflect the best estimation then.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Other equity instruments

Perpetual bonds or other financial instruments issued by the Group are equity instruments if, and only if both conditions below are met:

(1) The instrument includes no contractual obligation: (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer;

(2) If the instrument will be or may be settled in the issuer's own equity instruments, and it is a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or the financial instrument is settled by exchanging only fixed quantity of the Group's own equity instruments for a fixed amount of cash or other financial assets if the financial instrument is a derivative instrument.

The interest expenses or dividends of perpetual bonds or other financial instruments classified as equity instruments are treated as profit distribution of the Group. The repurchase or cancellation of these instruments is treated as a change in equity. The related transaction costs are deducted from equity.

24. Revenue

The Group shall recognise revenue when the Group satisfies a performance obligation in the contract, that is when the customer obtains control over relevant goods or services. Control over the relevant goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods or services.

24.1 Construction Contract

The construction contracts between the Group and customers usually include commitments for multiple goods and services such as construction design, equipment procurement, and construction and installation. As the Group needs to integrate the above-mentioned goods or services into a combination of outputs agreed upon in the contract and transfer them to customers, the Group will treat them as a single performance obligation as a whole.

The Group will use the expected amount of consideration to be collected for the transfer of goods to customers as the transaction price, and determine it in accordance with the contract terms and past business practices. There are arrangements for early completion rewards in some contracts between the Group and customers, forming variable consideration. The Group determines the best estimate of the variable consideration based on the most likely amount to occur, and includes the variable consideration in the transaction price to the extent that the cumulative recognised income is unlikely to be significantly reversed when the relevant uncertainty is eliminated, and re-estimates are made on each balance sheet date.

The Group fulfils its performance obligations by providing construction services to customers. Construction contracts between the Group and customers usually include performance obligations for housing construction and infrastructure construction. As customers can control the assets under construction during the Group's performance process, the Group considers them as performance obligations to be fulfilled within a certain period of time, and recognises revenue based on the performance progress, except for those where the performance progress cannot be reasonably determined. The Group determines the performance progress of providing construction services based on the cost incurred using the input method. When the progress of performance cannot be reasonably determined, if the Group expects to be compensated for the costs already incurred, revenue shall be recognised based on the amount of costs already incurred until the progress of performance can be reasonably determined.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue (Continued)

24.2 Contracts for sale of goods

The Group will use the expected amount of consideration to be collected for the transfer of goods to customers as the transaction price, and determine it in accordance with the contract terms and past business practices.

According to contract agreements, legal provisions, etc., the Group provides quality assurance for the products sold, which belongs to the category of quality assurance to ensure that the products sold meet established standards to customers. The Group conducts accounting treatment in accordance with Note V,22.

24.3 Contracts for rendering of services

The Group fulfils its performance obligations by providing design services to customers. As the services provided by the Group during the performance process have an irreplaceable purpose, and the Group has the right to receive income from the accumulated performance portion completed so far throughout the entire contract period, the Group recognises it as a performance obligation to be performed within a certain period of time, and recognises income based on the performance progress, except for cases where the performance progress cannot be reasonably determined. The Group determines the performance progress of services provided based on completed or delivered products using the output method. When the progress of performance cannot be reasonably determined, if the Group expects to be compensated for the costs already incurred, revenue shall be recognised based on the amount of costs already incurred until the progress of performance can be reasonably determined.

25. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to it and the grant will be received.

If a government grant takes the form of a monetary asset, it is measured at the amount received or receivable. If a government grant takes the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period. Government grants received by the Group related to routine activities are recognised in other income or as reductions in the related costs and expenses according to the economic nature of business; whereas government grants received by the Group other than those related to routine activities are recognised in non-operating income.

Government grants used for creating long-term assets by purchase, construction or other ways are recognised by the Group as the government grants related to assets, mainly including the investment subsidies for the purchase or construction of new equipment and other production infrastructure. Government grants related to assets of the Group will be recognised as deferred income and amortised to profit or loss for the current period on a reasonable and systematic basis over the useful life of the related assets.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Government grants (Continued)

The government grants related to income are those other than the ones related to assets. Government grants of the Group related to income mainly include scientific research subsidies. As they are mainly the compensation for related expenses of the enterprises, such government grants are recognised as the government grants related to income. The Group classifies government grants which are difficult to distinguish as the grants related to income on an entire basis. If the government grants related to income are compensation for related expenses or losses to be incurred in subsequent periods, they are recognised as deferred income, and will be recognised in profit or loss or used to offset with related costs and expenses for the period when related expenses or losses are recognised. If the government grants related to income are compensation for related expenses or losses already incurred, they are recognised immediately in profit or loss for the current period or used to offset related with costs and expenses.

If the preferential low-interest loans received by the Group is subject to the fact that the government finance authority allocates interest subsidy fund to the bank which thereafter issues loans to the Group at preferential low-interest rates, the Group recognises such borrowing at an amount actually received and calculates the borrowing costs based on the principal and the preferential low-interest rates. If the preferential low-interest loans received by the Group is the interest subsidy fund to the Group directly from the government finance authority, the Group deducts the interest subsidy from related borrowing costs.

Repayment of government grants should be applied first against any unamortised deferred income in respect of the grants. To the extent that repayment exceeds any such deferred income, or when no deferred income exists, the repayment should be recognised immediately in profit or loss for the current period.

26. Deferred tax

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

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

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised. However, for deductible temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a single transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, and in which the initial recognition of assets and liabilities does not result in temporary differences of equal amount, no deferred tax asset or liability is recognised. At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Deferred tax (Continued)

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and liabilities simultaneously and in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

27. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

27.1 The Group as the lessee

27.1.1 Separation of the lease

For a contract that contains one or more lease component and one or more additional lease or non-lease components, the Group will separate the individual lease and non-lease components and allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead accounts for the lease component and any associated non-lease components as a single lease component for contracts containing leases for buildings and structures, machinery and equipment, and transportation vehicles.

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset provided by the lessor is available for use). Right-of-use assets are measured at cost which includes:

– the amount of the initial measurement of the lease liabilities;

– any lease payments made at or before the commencement date, less any lease incentives received;

– any initial direct costs incurred by the Group; and

– an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Leases (Continued)

27.1 The Group as the lessee (Continued)

27.1.1 Separation of the lease (Continued)

If a re-measurement of the lease liability occurs after the commencement date of the lease, the carrying amount of the right-of-use assets shall be adjusted accordingly.

The Group depreciates the right-of-use assets in accordance with the relevant depreciation requirements of the Accounting Standards for Business Enterprises No. 4 – Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

The Group determines whether the right-of-use assets are impaired and accounts for the identified impairment loss based on the Accounting Standards for Business Enterprises No. 8 – Impairment of Assets. If the recoverable amount of the right-of-use asset is estimated to be less than its carrying amount, the carrying amount of the asset will be reduced to its recoverable amount (Note V,19).

The refundable rental deposits paid by the Group are measured at fair value in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. The differences between the fair value and the nominal value at the time of initial recognition are considered as additional lease payments and included in the cost of the right-of-use assets.

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

Lease payments refer to the payments made by the Group to the lessor for the lessee's right to use the leased asset over the lease term and include:

– fixed payments (including in-substance fixed payments) less any lease incentives receivable;

– variable lease payments that depend on an index or a rate;

– the exercise price of a purchase option reasonably certain to be exercised by the Group;

– payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate;

– amounts expected to be paid under residual value guarantees.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Leases (Continued)

27.1 The Group as the lessee (Continued)

27.1.1 Separation of the lease (Continued)

Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date. Variable lease payments that are not included in the measurement of lease liabilities are recognised in profit or loss or the cost of underlying assets in the period in which they occur.

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

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

– the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liabilities are remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

– the lease payments change due to changes in expected payment under a guaranteed residual value or a change in an index or a rate used to determine those payments, in which cases the related lease liabilities are remeasured by discounting the revised lease payments using the initial discount rate.

For short-term leases and leases of low-value assets to which the recognition exemption is applied by the Group, right-of-use assets and lease liabilities are not recognised. A short-term lease refers to a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a purchase option. A lease of low value asset refers to a single lease asset, when new, is of low value. Lease payments on short-term leases and leases of low-value assets are recognised in profit or loss or the cost of underlying assets on a straight-line basis over the lease term.

27.2 The Group as the lessor

27.2.1 Separation of the lease

Where a contract contains both lease and non-lease components, the Group allocates the consideration of the contract in accordance with the provisions of the revenue standards on allocation of transaction price. The basis of the allocation is the respective stand-alone selling price of lease component and non-lease component.

27.2.2 Classification of the lease

Financial lease refers to a lease that essentially transfers almost all the risks and rewards related to the ownership of leased assets. Operational lease refers to the leases other than financial leases.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Leases (Continued)

27.2 The Group as the lessor (Continued)

27.2.3 Rental deposit to be refunded

The lease deposits received by the Group that shall be refunded are measured at fair value at the time of initial recognition in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. The difference between the fair value and the nominal value at the time of initial recognition shall be considered as the additional lease payments from the lessee.

27.2.4 Operating leases recorded by the Group as lessor

During the periods within the lease term, the Group recognises the lease receipts from operating lease as rental income. The initial direct costs incurred by the Group to obtain the operating lease are capitalised when they are incurred, and are allocated over the lease term on the same basis of recognition of rental income, and are included in profit or loss by stages.

The variable lease receipts obtained by the Group from operating lease but not included in the lease receivables are included in profit or loss when they incur.

28. Other significant accounting policies and accounting estimates

28.1 Distribution of dividends

The cash dividend of the Company is recognised as a liability upon approval at the annual general meeting.

28.2 Production safety expenses

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

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

28.3 Segment information

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

28.4 Significant accounting estimates and judgements

As operating activities have inherent uncertainties, the Group needs to make judgments, estimates and assumptions upon report items that cannot be accurately calculated in applying the above accounting policies. These judgments, estimates and assumptions are made based on historical experience of the management of the Group, taking other related factors into consideration. The actual results may be different from the estimates of the Group.

The Group reviews the above judgments, estimates and assumptions periodically based on going concern. If the changes of accounting estimates only affect the current period, the influence amount is recognised in the current period. If the changes of accounting estimates affect both of the current period and the future period, the influence amount is recognised in the current period and the future period.

28.4.1 Critical judgments in applying accounting policies

The Group made some important judgments in applying accounting policies, which have significant influence on the amounts recognised in the financial statements.

Equity instruments

The issued perpetual bond has no maturity date. Since the Group has the right to defer interest payment and the option for redemption of perpetual bond. The Group has no obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer. The perpetual bond is classified as an equity instrument, which meets the qualifying to be recorded in Note V, 23 as equity instrument.

Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group consider how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including the assessment of the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow and whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

28.4 Significant accounting estimates and judgements (Continued)

28.4.1 Critical judgments in applying accounting policies (Continued)

Whether the Group has control over a structured entity

The Group has shares in a number of structured entities investing in infrastructure development. The Group mainly determines whether it actually controls a structured entity in accordance with Accounting Standard for Business Enterprises No. 33 – Consolidated Financial Statements. Where the Group has effective control, the Group includes the structured entity in the consolidated financial statements. Where the Group does not actually control the structured entity but exercises joint control with other parties or is only able to exert significant influence on the structured entity, the Group accounts for the structured entity as a joint venture or associated enterprise. Where the Group has neither actual control nor joint control over the structured entity and has no significant influence, the Group accounts for the structured entity in other non-current financial assets.

Whether a contract is, or contains, a lease

The Group signed the lease agreement on equipment for some engineering construction projects. The Group believes that, based on the agreement, there is no identified asset, the supplier has the substantive right to substitute the underlying asset throughout the period of use. Therefore, the agreement does not contain a lease, and the Group treats it as acceptance of a service.

28.4.2 Key assumptions and uncertainties used in accounting estimates

As at the balance sheet date, the key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next 12 months are as below:

Engineering construction contracts

The Group determines to use input method to measure the progress of income of engineering services contracts provided by the Group which require to be fulfilled in a certain period. Specifically, the Group determines progress of performance based on the proportion of accumulatively actual cost in estimated total cost. Because of the nature of the activity undertaken in engineering contracting services, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. In the contract progress, the management of the Group regularly reviews the transaction price and contract modification, contract costs in the budget prepared for each contract, the progress of the contracts performance and the accumulative actual cost. If there are circumstances where there are changes in the transaction price, the contract costs in the budget or the progress of the contract performance, estimates are revised. These revisions may result in increasing or decreasing in estimated revenues or costs and are reflected in consolidated income statement in the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

28.4 Significant accounting estimates and judgements (Continued)

28.4.2 Key assumptions and uncertainties used in accounting estimates (Continued)

Impairment of financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future.

Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non- current assets other than financial assets at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Where the carrying amount of an asset or asset group is higher than its recoverable amount (i.e. the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from it), it is indicated that such asset or asset group is impaired. The fair value less costs to sell is determined with reference to the price in sales agreement or observable market price in arm's length transaction, adjusted for incremental costs that would be directly attributable to the disposal of the asset or asset group. When calculating the present value of expected future cash flows from an asset or asset group, the management shall estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in Note V, 19.

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

The fixed assets, investment properties and intangible assets of the Group are depreciated or amortised over their expected useful lives. The Group periodically reviews the expected useful life of the underlying assets to determine the amount of depreciation and amortisation expense to be included in each reporting period. The useful life of an asset is determined by the Group based on its past experience with comparable assets and in the light of anticipated technological changes. If there is a significant change to previous estimates, depreciation and amortisation expenses are adjusted for future periods.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

28.4 Significant accounting estimates and judgements (Continued)

28.4.2 Key assumptions and uncertainties used in accounting estimates (Continued)

Taxes

The Company and its subsidiaries are subject to income taxes and other taxes in numerous jurisdictions in domestic provinces and certain overseas countries. The ultimate tax effect of many transactions has uncertainty during normal business activities. The Group shall make significant judgment on current year income tax and land appreciation tax provisions in different areas and districts. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current year income tax provisions in the periods in which the differences arise.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. In cases where the estimated amount differs from original estimation, the difference would influence the recognition of deferred tax assets in the period when the estimation changes. Deferred tax assets relating to certain temporary differences and tax losses should not be recognised if management considers it is not probable to utilise the deductible temporary differences or tax losses to deduct taxable income in future.

Retirement benefits

The Group establishes liabilities in connection with supplementary benefits paid to certain retired employees. The amounts of employee benefit expenses and liabilities are determined using various assumptions and conditions on discount rates, salary growth rates during retirement, medical expense growth rates, and other factors. Actual results that differ from the assumptions are recognised immediately and therefore affect recognised other comprehensive income in the period in which such differences arise. While management believes that its assumptions are appropriate, differences in actual experience or changes in assumptions may affect the other comprehensive income and balance of liabilities related to the supplementary employee retirement benefit obligations.

29. Changes in significant accounting policies and accounting estimates

29.1 Changes in significant accounting policies

The Ministry of Finance issued Interpretation No. 19 of the Accounting Standards for Business Enterprises ("Interpretation No. 19") and Interpretation No. 20 of the Accounting Standards for Business Enterprises ("Interpretation No. 20") on 5 December 2025 and 4 June 2026, respectively.

Interpretation No. 19 specifies the accounting treatment of compensatory assets in business combinations not involving enterprises under common control, accounting treatment of capital reserve arising from disposal of subsidiaries previously acquired through business combinations involving enterprises under common control, derecognition of financial liabilities settled using an electronic payment system, and assessment of the contractual cash flow characteristics of financial assets. It came into effect from 1 January 2026.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Changes in significant accounting policies and accounting estimates (Continued)

29.1 Changes in significant accounting policies (Continued)

Interpretation No. 20 specifies the assessment of the contractual cash flow characteristics of financial assets, as well as the accounting treatment when a currency lacks exchangeability. It came into effect from 1 January 2026.

Upon assessment, the Group believes that the adoption of these provisions will have no significant impact on the financial statements of the Group and the Company.

29.2 Changes in significant accounting estimates

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

VI. TAXATION

1. Major categories of taxes and respective tax rates

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

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

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

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

VI. TAXATION (CONTINUED)

2. Tax incentives

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

Name of company	Preferential tax rate For the six months ended 30 June 2026	Preferential tax rate For the six months ended 30 June 2025	Preferential policy
Shanghai Baoye Group Corp. Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China First Metallurgical Group Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China Second Metallurgical Group Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China MCC5 Group Corp. Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China MCC17 Group Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises
China MCC19 Group Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises, weighted deduction for research and development expenses, and weighted deduction for wages or salaries paid to disabled employees
China MCC22 Group Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Central Research Institute of Building and Construction Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Capital Engineering & Research Incorporation Limited	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
WISDRI Engineering & Research Incorporation Limited	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Huatian Engineering & Technology Corporation, MCC	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Zhong Ye Chang Tian International Engineering Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Shen Kan Engineering & Technology Corporation, MCC	**15%**	15%	Tax incentives for high-tech enterprises
Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC	**15%**	15%	Tax incentives for high-tech enterprises
MCC TianGong Group Corporation Limited	**15%**	15%	Tax incentives for high-tech enterprises, weighted deduction for research and development expenses, and weighted deduction for wages or salaries paid to disabled employees
MCC Baosteel Technology Services Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises, weighted deduction for research and development expenses, and weighted deduction for wages or salaries paid to disabled employees
MCC Communication Construction Group China Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises

VI. TAXATION (CONTINUED)

2. Tax incentives (Continued)

Name of company	Preferential tax rate For the six months ended 30 June 2026	For the six months ended 30 June 2025	Preferential policy
MCC (Shanghai) Steel Structure Technology China Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Urban Investment Holding Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC-SFRE Heavy Industry Equipment Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Road&Bridge Construction Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises
China Metallurgical Construction Engineering Group Co., Ltd.	**15%**	15%	Tax incentives for the Western Development Program and weighted deduction for research and development expenses
MCC South China Construction Engineering Co., Ltd.	**15%**	15%	Tax incentives for high-tech enterprises

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Cash on hand	**3,184**	2,971
Bank deposits	**66,005,100**	76,145,655
Other monetary funds	**2,073,193**	1,616,257
Total	**68,081,477**	77,764,883
Including: Total amount deposited overseas	**4,428,449**	4,329,700

As at 30 June 2026, restricted cash and bank balances of the Group were RMB8,885,857,000 (as at 31 December 2025: RMB8,278,623,000) (Note VII, 24) which mainly included bank deposits for issuing acceptances, frozen funds for lawsuit and deposits on wages for rural migrant workers, etc.

The Group's certain cash and bank balances deposited overseas are subject to the exchange control in relevant countries or regions and cannot be converted to foreign currencies freely or remitted out from these countries or regions. As at 30 June 2026, the proportion of the Group's cash and bank balances denominated in foreign currency deposited in these countries or regions to the balance of cash and bank balances in the Group's consolidated balance sheet was less than 3% (31 December 2025: less than 2%).

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

2. Notes receivable

(1) Category of notes receivable

RMB'000

Item	30 June 2026 (unaudited) Gross carrying amount	Credit loss allowance	Carrying amount	31 December 2025 Gross carrying amount	Credit loss allowance	Carrying amount
Bank acceptances	1,667,665	3,978	1,663,687	1,992,718	4,873	1,987,845
Commercial acceptances	4,816,085	88,612	4,727,473	3,448,496	69,670	3,378,826
Total	6,483,750	92,590	6,391,160	5,441,214	74,543	5,366,671

(2) Pledged notes receivable

RMB'000

Item	Amount pledged as of 30 June 2026 (unaudited)
Commercial acceptances	1,559
Total	1,559

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

RMB'000

Item	30 June 2026 (unaudited) Derecognised	Not derecognised
Bank acceptances	–	830,650
Commercial acceptances	–	1,189,105
Total	–	2,019,755

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

2. Notes receivable (Continued)

(4) Changes in credit loss allowance of notes receivable

RMB'000

Item	31 December 2025	Provision	Reversal	30 June 2026 (unaudited)
Credit loss allowance of bank acceptances	4,873	3,978	(4,873)	3,978
Credit loss allowance of commercial acceptances	69,670	151,937	(132,995)	88,612
Total	74,543	155,915	(137,868)	92,590

3. Accounts receivable

(1) Disclosure by aging

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

RMB'000

Aging	30 June 2026 (unaudited)	31 December 2025
Within 1 year	150,268,697	152,243,376
1 to 2 years	60,093,365	66,814,265
2 to 3 years	24,965,033	21,574,033
3 to 4 years	8,878,798	9,339,328
4 to 5 years	8,073,215	8,025,452
Over 5 years	17,667,189	15,940,314
Total gross carrying amount	269,946,297	273,936,768
Less: Credit loss allowance	31,347,751	30,499,748
Carrying amount	238,598,546	243,437,020

Settlement of accounts receivable generated through engineering and construction services is made in accordance with terms specified in the contracts governing the relevant transactions. The aging of accounts receivable is calculated based on the date of issuing the billing of construction service.

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

3. Accounts receivable (Continued)

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

RMB'000

	30 June 2026 (unaudited)				
	Gross carrying amount		Credit loss allowance		
Category	**Amount**	**Proportion (%)**	**Amount**	**Proportion of allowance (%)**	**Carrying amount**
Accounts receivable for which credit loss allowance is individually assessed *(a)*	35,282,435	13.07	13,898,272	39.39	21,384,163
Accounts receivable for which credit loss allowance is collectively assessed based on credit risk characteristics *(b)*	234,663,862	86.93	17,449,479	7.44	217,214,383
Total	269,946,297	100.00	31,347,751	/	238,598,546

RMB'000

	31 December 2025				
	Gross carrying amount		Credit loss allowance		
Category	Amount	Proportion (%)	Amount	Proportion of allowance (%)	Carrying amount
Accounts receivable for which credit loss allowance is individually assessed	34,778,755	12.70	13,462,300	38.71	21,316,455
Accounts receivable for which credit loss allowance is collectively assessed based on credit risk characteristics	239,158,013	87.30	17,037,448	7.12	222,120,565
Total	273,936,768	100.00	30,499,748	/	243,437,020

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

3. Accounts receivable (Continued)

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

(a) Accounts receivable for which credit loss allowance is individually assessed are as follows:

RMB'000

Name	30 June 2026 (unaudited) Gross carrying amount	Credit loss allowance	Proportion of allowance *(%)*	Reasons
Party 1 *(Note)*	1,645,374	–	–	The Group considered the reasonable and supportable information related to other party (including forward-looking information), then evaluated the expected credit losses and made credit loss allowance.
Party 2	1,615,398	566,940	35.10	
Others	32,021,663	13,331,332	41.63	
Total	35,282,435	13,898,272	39.39	/

Note: The details of evaluation on the expected credit losses of Party 1 are set out in Note VII, 8. (4).

(b) Accounts receivable for which credit loss allowance is collectively assessed based on credit risk characteristics are as follows:

RMB'000

Aging	30 June 2026 (unaudited) Gross carrying amount	Credit loss allowance	Proportion of allowance *(%)*
Within 1 year	144,398,704	3,233,918	2.24
1 to 2 years	54,565,379	3,788,987	6.94
2 to 3 years	21,730,831	2,693,359	12.39
3 to 4 years	6,061,669	1,906,361	31.45
4 to 5 years	2,875,444	1,481,004	51.51
Over 5 years	5,031,835	4,345,850	86.37
Total	234,663,862	17,449,479	7.44

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

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

3. Accounts receivable (Continued)

(3) *Changes in credit loss allowance of accounts receivable*

RMB'000

Item	31 December 2025	Provision	Reversal	Write-off	Transferred – out	Other changes	30 June 2026 (unaudited)
Credit loss allowance	30,499,748	1,452,759	(501,090)	(1,208)	(72,274)	(30,184)	31,347,751

The actual write-off amount during the period is RMB1,208,000.

(4) *The five largest accounts receivable, contract assets, other non-current assets and long-term receivables collected by arrears at 30 June 2026 (unaudited):*

RMB'000

Name	Balance of accounts receivable as at 30 June 2026	Balance of contract assets as at 30 June 2026	Balance of other non-current assets as at 30 June 2026	Balance of long-term receivables as at 30 June 2026	Total balance of accounts receivable, contract assets, other non-current assets and long-term receivables as at 30 June 2026	As a percentage of total closing balance of accounts receivable, contract assets, other non-current assets and long-term receivables *(%)*	Total balance of credit loss allowance of accounts receivable, provision for impairment of contract assets, provision for impairment of other non-current assets and credit loss allowance of long-term receivables as at 30 June 2026
Party 1	4,138,341	3,724,334	3,758,221	283,724	11,904,620	2.05	506,241
Party 2	4,020,850	4,388,386	212,050	2,878,846	11,500,132	1.98	693,558
Party 3	4,488,036	4,884,816	280,593	202,126	9,855,571	1.70	610,036
Party 4	1,645,374	3,643,902	–	–	5,289,276	0.91	–
Party 5	826,494	681,944	44,877	1,823,344	3,376,659	0.59	106,445
Total	15,119,095	17,323,382	4,295,741	5,188,040	41,926,258	7.23	1,916,280

For the six months ended 30 June 2026, the Group derecognised accounts receivable measured at amortised cost with a gross carrying amount of RMB12,223,178,000(for the six months ended 30 June 2025: RMB10,771,073,000), via transferring them to financial institutions under non-recourse factoring and asset securitisation arrangements or selling them to third parties. Loss of RMB180,475,000(for the six months ended 30 June 2025: RMB256,644,000) was derecognised and included in investment loss. Under these arrangements, the Group has transferred substantially all the risks and rewards of ownership of the accounts receivable to the special purpose scheme, therefore the relevant receivables are derecognised. As at 30 June 2026, the Group has no assets or liabilities arising from continuing involvement in the transferred accounts receivable.

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

4. Receivables financing

(1) Category of receivables financing

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Bank acceptances	6,339,927	6,261,376
Other credit instruments at FVTOCI	2,618,441	2,804,858
Total	8,958,368	9,066,234

The Group recognises impairment provision for receivables financing on the basis of the expected credit loss. For the six months ended 30 June 2026, there was no significant credit risk in receivables financing upon evaluation. Therefore, the Group didn't make allowance for credit impairment loss of receivables financing.

(2) Pledged receivables financing

RMB'000

Item	30 June 2026 (unaudited)
Bank acceptances	55,820
Total	55,820

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

4. Receivables financing (Continued)

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

RMB'000

Item	30 June 2026 (unaudited)		31 December 2025	
	Derecognised	Not-derecognised	Derecognised	Not-derecognised
Bank acceptances	8,976,044	–	8,828,465	–
Other credit instruments at FVTOCI	4,803,983	–	6,365,082	–
Total	13,780,027	–	15,193,547	–

5. Prepayments

(1) Analysis by aging

RMB'000

Aging	30 June 2026 (unaudited)		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	14,254,695	80.07	15,122,953	79.48
1 to 2 years	2,084,766	11.71	2,235,862	11.75
2 to 3 years	635,196	3.57	624,675	3.28
Over 3 years	828,430	4.65	1,044,665	5.49
Total	17,803,087	100.00	19,028,155	100.00

As at 30 June 2026, prepayments aged over one year were RMB3,548,392,000 (as at 31 December 2025: RMB3,905,202,000), mainly including prepaid construction payments and payments for goods to sub-contractors.

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

5. Prepayments (Continued)

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

RMB'000

Name	Relationship with the Group	30 June 2026 (unaudited)	As a percentage of total prepayments (%)
Minmetals Steel Shanghai Co., Ltd.	Related party	121,573	0.68
Party 2	Third party	101,176	0.57
Party 3	Third party	97,949	0.55
Party 4	Third party	77,056	0.43
Party 5	Third party	73,866	0.42
Total	/	471,620	2.65

6. Other receivables

(1) Category of other receivables

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Dividends receivable	44,778	33,568
Other receivables	30,434,643	59,339,872
Total	30,479,421	59,373,440

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

6. Other receivables (Continued)

(2) Dividends receivable

RMB'000

Investee	30 June 2026 (unaudited)	31 December 2025
Hebei Steel Luan County Sijiaying Iron Ore Co., Ltd.	24,917	9,023
Tianjin MCC Heyuan Real Estate Co., Ltd.	17,011	17,011
Anhui Zhongju Assembly Technology Co., Ltd.	1,571	769
Xinye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	1,279	1,279
Chengdu Tiantou Rongxing Building Materials Co., Ltd.	–	5,186
Hebei Zhongcao Construction Engineering Co., Ltd.	–	300
Total	44,778	33,568

As at 30 June 2026, dividends receivable aged over one year were RMB17,011,000 (as at 31 December 2025: RMB17,011,000).

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

6. Other receivables (Continued)

(3) Other receivables

(a) Aging analysis

RMB'000

Aging	30 June 2026 (unaudited)	31 December 2025
Within 1 year	10,852,343	39,300,729
1 to 2 years	5,881,850	6,154,696
2 to 3 years	3,533,099	4,178,705
3 to 4 years	4,182,087	3,548,769
4 to 5 years	2,521,941	2,806,796
Over 5 years	13,968,856	13,950,453
Total gross carrying amount	40,940,176	69,940,148
Less: Credit loss allowance	10,505,533	10,600,276
Carrying amount	30,434,643	59,339,872

(b) Other receivables categorised by nature

RMB'000

Nature	Gross carrying amount at 30 June 2026 (unaudited)	Gross carrying amount at 31 December 2025
Deposits and guarantees	15,369,043	16,085,576
Advances	13,211,175	14,215,000
Borrowings and current accounts	6,325,418	6,994,096
Payments to be recovered for equity transfer and investment	1,114,659	27,157,582
Others	4,919,881	5,487,894
Total	40,940,176	69,940,148

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

6. Other receivables (Continued)

(3) Other receivables (Continued)

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

30 June 2026 (unaudited)

RMB'000

Category	Gross carrying amount		Credit loss allowance		
	Amount	Proportion (%)	Amount	Proportion of allowance (%)	Carrying amount
Credit loss allowance assessed individually	16,874,523	41.22	6,143,282	36.41	10,731,241
Credit loss allowance collectively assessed based on credit risk characteristics	24,065,653	58.78	4,362,251	18.13	19,703,402
Total	40,940,176	100.00	10,505,533	/	30,434,643

31 December 2025

RMB'000

Category	Gross carrying amount		Credit loss allowance		
	Amount	Proportion (%)	Amount	Proportion of allowance (%)	Carrying amount
Credit loss allowance assessed individually	43,620,986	62.37	6,236,916	14.30	37,384,070
Credit loss allowance collectively assessed based on credit risk characteristics	26,319,162	37.63	4,363,360	16.58	21,955,802
Total	69,940,148	100.00	10,600,276	/	59,339,872

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

6. Other receivables (Continued)

(3) Other receivables (Continued)

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

Other receivables for which credit loss allowance is individually assessed are as follows:

RMB'000

Name	30 June 2026 (unaudited) Gross carrying amount	Credit loss allowance	Proportion of allowance *(%)*	Reasons
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	1,841,712	825,735	44.84	The Group assesses expected credit losses and recognises credit loss allowance by considering all reasonable and supportable information (including forward-looking information) available in relation to the counterparty.
Others	15,032,811	5,317,547	35.37	/
Total	16,874,523	6,143,282	36.41	/

As at 30 June 2026, other receivables for which credit loss allowances is collectively assessed based on credit risk characteristics are as follows (unaudited):

RMB'000

Aging	Gross carrying amount	Credit loss allowance	Proportion of allowance *(%)*
Within 1 year	8,694,605	258,602	2.97
1 to 2 years	4,690,949	347,611	7.41
2 to 3 years	2,686,345	323,757	12.05
3 to 4 years	2,607,789	563,283	21.60
4 to 5 years	1,628,732	348,312	21.39
Over 5 years	3,757,233	2,520,686	67.09
Total	24,065,653	4,362,251	18.13

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

6. Other receivables (Continued)

(3) Other receivables (Continued)

(d) Changes in credit loss allowance of other receivables

For the six months ended 30 June 2026

RMB'000

Item	Stage 1 12-month ECL	Stage 2 Lifetime ECL (not credit-impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Credit loss allowance at 31 December 2025	1,076,168	3,736,009	5,788,099	10,600,276
Transfer of opening balance for the period	(142,595)	(67,257)	209,852	–
Provision for the period	175,195	176,334	90,448	441,977
Reversal for the period	(163,283)	(288,296)	(80,266)	(531,845)
Transferred-out for the period	–	–	–	–
Write-off for the period	–	–	(236)	(236)
Other changes	(2,930)	(243)	(1,466)	(4,639)
Credit loss allowance at 30 June 2026 (unaudited)	942,555	3,556,547	6,006,431	10,505,533

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

6. Other receivables (Continued)

(3) Other receivables (Continued)

(e) As at 30 June 2026, the top five balances of other receivables categorised by debtor at the end of the period (unaudited)

RMB'000

Name	Relationship with the Group	Nature of the amount	Aging	Gross carrying amount at 30 June 2026	Credit loss allowance at 30 June 2026	Proportion to total closing balance of other receivables *(%)*
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	Associate	Advances	Over 4 years	1,841,712	825,735	4.50
Yongyang New City Management Committee, Fengrun District, Tangshan City	Third party	Advances	Within 1 year, 1-5 years, over 5 years	1,412,776	35,467	3.45
Chongqing Changshou Economic and Technological Development Zone Development and Investment Group Co., Ltd.	Third party	Advances	Within 1 year	1,301,325	13,013	3.18
Guizhou Zunyi Expressway Construction Investment Co., Ltd.	Third party	Guarantees	Over 4 years	1,213,000	115,031	2.96
Henan Tianhe Investment Group Co., Ltd.	Third party	Current accounts, advances	Within 1 year, 3-4 years	557,892	2,839	1.36
Total	/	/	/	6,326,705	992,085	15.45

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

7. Inventories

(1) Classification of inventories

RMB'000

Item	30 June 2026 (unaudited) Gross carrying amount	Provision for decline in value	Carrying amount	31 December 2025 Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	1,637,113	24,142	1,612,971	1,424,143	25,719	1,398,424
Purchased materials	53,649	10	53,639	46,931	10	46,921
Materials on consignment for further processing	9,269	–	9,269	5,271	–	5,271
Work in progress	2,718,903	323,892	2,395,011	2,327,939	323,892	2,004,047
Goods on hand	2,215,039	42,507	2,172,532	1,783,736	43,152	1,740,584
Reusable materials	377,112	1,191	375,921	399,132	1,194	397,938
Costs to fulfil a contract	305,917	–	305,917	380,928	–	380,928
Costs of properties under development (a)	3,311,806	88,889	3,222,917	3,811,830	88,889	3,722,941
Completed properties held for sale (b)	6,832,387	705,458	6,126,929	6,703,917	713,518	5,990,399
Total	17,461,195	1,186,089	16,275,106	16,883,827	1,196,374	15,687,453

(a) Details of costs of properties under development

RMB'000

Item	Project commencement date	Estimated latest completion date	Estimated total investment amount	Gross carrying amount at 31 December 2025	Gross carrying amount at 30 June 2026 (unaudited)
MCC Changyuanli	2022-07-01	2028-12-01	3,629,774	877,510	882,441
Chun Hua Qiu Shi Project Meiyuan Park Xiyuan	2020-12-27	2028-10-01	1,151,543	733,659	803,544
Land reserve	–	–	573,708	573,708	573,708
MCC Painting & Calligraphy Mingyuan	2023-06-30	2026-12-31	640,000	457,181	463,696
Others	/	/	12,760,841	1,169,772	588,417
Total	/	/	18,755,866	3,811,830	3,311,806

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

7. Inventories (Continued)

(1) Classification of inventories (Continued)

(b) Details of the completed properties held for sale

RMB'000

Item	Latest completion date	Gross carrying amount at 31 December 2025	Increase for the period	Decrease for the period	Gross carrying amount at 30 June 2026 (unaudited)
Zhongjie Mansion	2025-06-30	1,284,535	–	–	1,284,535
MCC TongLuo Town	2025-04-28	682,696	–	63,494	619,202
Yudaiwan, Qinhuangdao City, Hebei Province	2026-03-30	1,938	638,257	82,966	557,229
MCC Baizhishan International Holiday Park (Phase I)	2024-06-30	569,724	–	16,350	553,374
MCC Changyuanli	2025-12-01	454,281	–	48,894	405,387
MCC II Ruyijing	2026-05-31	363,612	64,737	33,774	394,575
Qianhai MCC Technology Building Project	2025-07-31	387,626	–	–	387,626
Renhe Xili	2025-11-28	322,670	13,450	4,937	331,183
MCC Riverside International City Phase I	2015-12-28	356,562	–	54,282	302,280
Chun Hua Qiu Shi Project Meiyuan Park Dongyuan	2024-08-01	315,985	–	43,728	272,257
Others	/	1,964,288	44,204	283,753	1,724,739
Total	/	6,703,917	760,648	632,178	6,832,387

Note: As at 30 June 2026, the total borrowing costs capitalised included in costs of properties under development and completed properties held for sale were RMB468,513,000 (as at 31 December 2025: RMB488,314,000). For the six months ended 30 June 2026, the total borrowing costs capitalised were RMB3,082,000 (for the six months ended 30 June 2025: RMB473,922,000). The capitalisation rates for determining the capitalised amount of borrowing costs were 2.43% – 3.48% (for the six months ended 30 June 2025: 2.75% -5.89%).

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

7. Inventories (Continued)

(2) Provision for decline in value of inventories

RMB'000

Item	31 December 2025	Increase for the period Provision for the period	Decrease for the period Transferred-out for the period	30 June 2026 (unaudited)
Raw materials	25,719	–	1,577	24,142
Purchased materials	10	–	–	10
Work in progress	323,892	–	–	323,892
Goods on hand	43,152	1,649	2,294	42,507
Reusable materials	1,194	–	3	1,191
Costs of properties under development	88,889	–	–	88,889
Completed properties held for sale	713,518	–	8,060	705,458
Total	1,196,374	1,649	11,934	1,186,089

8. Contract assets

(1) Classification of contract assets

RMB'000

	30 June 2026 (unaudited)			31 December 2025		
Item	**Gross carrying amount**	**Provision for impairment**	**Carrying amount**	Gross carrying amount	Provision for impairment	Carrying amount
Contract assets interrelated with engineering contracting services	**204,401,687**	**7,078,481**	**197,323,206**	192,016,803	6,695,711	185,321,092
Contract assets interrelated with quality guarantee deposit	**4,042,905**	**104,180**	**3,938,725**	4,319,945	141,304	4,178,641
Total	**208,444,592**	**7,182,661**	**201,261,931**	196,336,748	6,837,015	189,499,733

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

8. Contract assets (Continued)

(1) *Classification of contract assets (Continued)*

The engineering contracting services provided by the Group normally constitute the single performance obligation, which require to be fulfilled in a certain period. The Group shall determine the implementation progress according to the proportion of actual cost in estimated total cost (cost method). Engineering contracting services require regular settlement with the client, and the related contract consideration vests the Group the right to charge the consideration, which will be listed in receivables, to the client unconditionally after the completion of settlement. Under normal circumstances, there are some timing differences between the implementation progress and the settlement progress in engineering contracting. As at 30 June 2026, implementation progress of part of contracts exceeded the settlement progress, thus forming related contract assets, which shall be transferred into receivables after the completion of settlement.

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

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

RMB'000

	30 June 2026 (unaudited)				
	Gross carrying amount		Provision for impairment		
Category	**Amount**	**Proportion** *(%)*	**Amount**	**Proportion of provision** *(%)*	**Carrying amount**
Provision for impairment provided on an individual basis (a)	**12,137,126**	**5.82**	**1,888,027**	**15.56**	**10,249,099**
Provision for impairment provided on a portfolio basis and credit risk characteristics (b)	**196,307,466**	**94.18**	**5,294,634**	**2.70**	**191,012,832**
Total	**208,444,592**	**100.00**	**7,182,661**	**/**	**201,261,931**

RMB'000

	31 December 2025				
	Gross carrying amount		Provision for impairment		
Category	Amount	Proportion *(%)*	Amount	Proportion of provision *(%)*	Carrying amount
Provision for impairment provided on an individual basis	12,239,041	6.23	1,858,746	15.19	10,380,295
Provision for impairment provided on a portfolio basis and credit risk characteristics	184,097,707	93.77	4,978,269	2.70	179,119,438
Total	196,336,748	100.00	6,837,015	/	189,499,733

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

8. Contract assets (Continued)

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

(a) *Contract assets for which provision for impairment is made individually are as follows:*

RMB'000

Name	30 June 2026 (unaudited) Gross carrying amount	Provision for impairment	Proportion of provision (%)	Reasons
SINO Iron Project (Note VII, 8(4))	3,643,902	–	–	The Group assesses expected credit losses and recognises provision for impairment by considering all reasonable and supportable information (including forward-looking information) available in relation to the counterparty.
Others	8,493,224	1,888,027	22.23	
Total	12,137,126	1,888,027	15.56	/

(b) *Contract assets for which provision for impairment is assessed on a portfolio basis and credit risk characteristics at 30 June 2026 (unaudited) are as follows:*

RMB'000

Aging	Gross carrying amount	Provision for impairment	Proportion of provision (%)
Within 1 year	128,148,794	2,298,768	1.79
1 to 2 years	39,269,599	1,083,061	2.76
2 to 3 years	15,902,621	721,391	4.54
3 to 4 years	7,581,903	349,279	4.61
4 to 5 years	2,673,012	216,748	8.11
Over 5 years	2,731,537	625,387	22.90
Total	196,307,466	5,294,634	2.70

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

8. Contract assets (Continued)

(3) Changes in provision for impairment of contract assets

RMB'000

Item	31 December 2025	Provision for the period	Reversal for the period	Other changes	30 June 2026 (unaudited)
Provision for impairment of assets	6,837,015	477,099	(179,210)	47,757	7,182,661

(4) West Australia SINO Iron Mining Project

In 2012, MCC Mining (Western Australia) Pty Ltd. ("Western Australia"), a wholly owned subsidiary of the Group, was forced to postpone the SINO Iron Project, including six production lines in total, due to extreme weather 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 recognised impairment loss on contract costs of USD481 million (equivalent to approximately RMB3.035 billion) for the year ended 31 December 2012.

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

The Group assessed the accounts receivable (Note VII, 3. (2) (a)) and the contract assets based on expected credit losses. In the opinion of the Group, although the final contract amount shall be confirmed after the auditing of the third party, the consensus between the Group and CITIC Group for the previously agreed construction costs of USD4.357 billion mentioned in the paragraph above remained unchanged. The Group reasonably expected that the consensus should not have any significant change and recognised no additional contract losses as at 30 June 2026.

As at 30 June 2026, the accounts receivable for the above project amounted to RMB1,645,374,000, and the contract assets amounted to RMB3,643,902,000. After the completion of the audit mentioned above, the Group will actively follow up with CITIC Group and the Owner for negotiation and discussion in reaching the final agreed project construction costs and make relevant accounting treatments accordingly.

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

9. Non-current assets due within one year

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Long-term receivables due within 1 year *(Note VII, 11)*	10,408,286	11,483,026
Total	10,408,286	11,483,026

10. Other current assets

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Input VAT to be deducted	5,793,940	6,029,704
Prepaid tax	2,107,343	2,210,376
Debt-expiated assets	184,603	686,072
Total	8,085,886	8,926,152

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

11. Long-term receivables

(1) Classification of long-term receivables

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025	Discount rate range
Long-term receivables on project	59,378,135	60,986,568	3.10%-5.00%
Long-term loans	3,964,111	4,681,353	3.60%
Receivables on disposal of equity investments	333,485	333,485	4.90%
Total gross carrying amount	63,675,731	66,001,406	/
Less: Credit loss allowance of long-term receivables	2,857,428	2,828,624	/
Total net book value	60,818,303	63,172,782	/
Less: Long-term receivables due within 1 year, net (Note VII, 9)	10,408,286	11,483,026	/
Long-term receivables due over 1 year, net	50,410,017	51,689,756	/

(2) Changes in credit loss allowance of long-term receivables

For the six months ended 30 June 2026, changes in credit loss allowance based on the 12-month expected credit losses and lifetime expected credit losses on long-term receivables are as follows:

RMB'000

Item	Stage 1 12-month ECL	Stage 2 Lifetime ECL (not credit-impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Credit loss allowance at 31 December 2025	1,172,403	631,727	1,024,494	2,828,624
Transfer of opening balance for the period	(72,894)	72,894	–	–
Provision for the period	187,572	9,791	–	197,363
Reversal for the period	(134,091)	(17,114)	–	(151,205)
Other changes	(17,354)	–	–	(17,354)
Credit loss allowance at 30 June 2026 (unaudited)	1,135,636	697,298	1,024,494	2,857,428

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

11. Long-term receivables (Continued)

(2) Changes in credit loss allowance of long-term receivables (Continued)

For the six months ended 30 June 2026, the Group derecognised long-term receivables measured at amortised cost with a gross carrying amount of RMB485,222,000(for the six months ended 30 June 2025: nil), via transferring them to financial institutions under non-recourse factoring and asset securitisation arrangements or selling them to third parties. Loss of RMB4,668,000 (for the six months ended 30 June 2025: nil) was derecognised and included in investment loss. Under these arrangements, the Group has transferred substantially all the risks and rewards of ownership of the long-term receivables to the special purpose scheme, therefore the relevant receivables are derecognised. As at 30 June 2026, the Group has no assets or liabilities arising from continuing involvement in the transferred long-term receivables.

12. Long-term equity investments

For the six months ended 30 June 2026

RMB'000

		Changes for the period									
Investee	Gross carrying amount at 31 December 2025	Increase in investment	Decrease in investment	Investment income or loss recognised under equity method	Other comprehensive income adjustments	Other equity changes	Cash dividends or profit declared	Changes in scope of consolidation	Others	Gross carrying amount at 30 June 2026 (unaudited)	Balance of provision for impairment at 30 June 2026 (unaudited)
I. Joint ventures											
Guizhou Ziwang Highway Construction Co., Ltd.	1,590,575	-	-	2,401	-	-	-	-	-	1,592,976	-
Guizhou Sanli Highway Construction Co., Ltd.	1,563,710	-	-	(1,478)	-	-	-	-	-	1,562,232	-
Guizhou Sanshi Highway Construction Co., Ltd.	889,383	-	-	8,841	-	-	-	-	-	898,224	-
Chongqing-Hunan Double-track Highway Co., Ltd.	625,039	-	-	(863)	-	-	-	-	-	624,176	-
Sichuan Development MCC Construction Investment Co., Ltd.	401,823	-	-	4,428	-	-	-	-	-	406,251	-
Shiyan Baocheng Engineering Management Co., Ltd.	308,674	-	-	14,287	-	-	-	-	-	322,961	-
Zhongshan Xiangshan Avenue Integrated Pipe Network Technology Co., Ltd.	263,970	-	-	(4,860)	-	-	-	-	-	259,110	-
Yinchuan Huaiyuan Road Integrated Pipe Network Construction and Management Co., Ltd.	246,396	-	-	(1,991)	-	-	-	-	-	244,405	-
Ningguo Hechuang Yongning Urban Operation Management Co., Ltd.	232,747	-	-	1,311	-	-	-	-	-	234,058	-
Huanggang Lianlu Water Service Co., Ltd.	226,724	-	-	(4)	-	-	-	-	-	226,720	-
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	217,778	-	-	(8)	-	-	-	-	-	217,770	-
Others	3,615,480	85,560	-	15,954	-	(321)	(2,500)	-	-	3,714,173	219,720
Subtotal	10,182,299	85,560	-	38,018	-	(321)	(2,500)	-	-	10,303,056	219,720

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

12. Long-term equity investments (Continued)

For the six months ended 30 June 2026 (Continued)

RMB'000

Investee	Gross carrying amount at 31 December 2025	Changes for the period: Increase in investment	Decrease in investment	Investment income or loss recognised under equity method	Other comprehensive income adjustments	Other equity changes	Cash dividends or profit declared	Changes in scope of consolidation	Others	Gross carrying amount at 30 June 2026 (unaudited)	Balance of provision for impairment at 30 June 2026 (unaudited)
II. Associates											
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	1,988,596	–	–	–	–	–	–	–	–	1,988,596	–
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	1,110,437	–	–	–	–	–	–	–	–	1,110,437	–
Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	1,049,172	–	–	(26,490)	–	–	–	–	–	1,022,682	–
Chongqing Yunkai Expressway Co., Ltd.	906,379	–	–	–	–	–	–	–	–	906,379	–
Xiongan Xiongshang Real Estate Co., Ltd.	895,318	–	–	97	–	–	–	–	–	895,415	–
Shanghai Baoyang Maoye Construction and Development Co., Ltd.	614,978	253,837	–	(10,320)	–	–	–	–	–	858,495	–
MCC International Investment Development Co., Ltd.	852,373	–	–	4,713	–	–	–	–	–	857,086	–
Beijing City Vice-Center Investment Fund Partnership (Limited Partnership)	863,431	–	–	(12,024)	–	–	–	–	–	851,407	–
Hebei Steel Luan County Sijiaying Iron Ore Co., Ltd.	705,268	–	–	73,785	–	821	(95,357)	–	–	684,517	–
Tangshan Stainless Steel Co., Ltd.	667,215	–	–	78	–	(56)	–	–	–	667,237	–
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	598,756	–	–	2,016	–	–	–	–	–	600,772	–
MCC Baoding Development and Construction Co., Ltd.	574,998	–	–	91	–	–	–	–	–	575,089	–
Xiong'an Xiongshang Financial Island Development Co., Ltd.	495,684	–	–	(4)	–	–	–	–	–	495,680	–
Guangzhou Keling Investment and Development Co., Ltd.	467,672	–	–	(924)	–	–	–	–	–	466,748	–
Honghe Luqiu Expressway Investment and Development Co., Ltd.	461,898	–	–	368	–	–	–	–	–	462,266	–
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	407,728	–	–	(35)	–	–	–	–	–	407,693	–
Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	359,915	–	–	1	–	–	–	–	–	359,916	–
Hunan Chachang Expressway Construction and Development Co., Ltd.	358,446	–	–	–	–	–	–	–	–	358,446	–
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd.	350,394	450	–	–	–	–	–	–	–	350,844	–
Gansu Gonghanglv Tongding Expressway Management Co., Ltd.	348,508	–	–	(41)	–	–	–	–	–	348,467	–

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

12. Long-term equity investments (Continued)

For the six months ended 30 June 2026 (Continued)

RMB'000

Investee	Gross carrying amount at 31 December 2025	Changes for the period: Increase in investment	Decrease in investment	Investment income or loss recognised under equity method	Other comprehensive income adjustments	Other equity changes	Cash dividends or profit declared	Changes in scope of consolidation	Others	Gross carrying amount at 30 June 2026 (unaudited)	Balance of provision for impairment at 30 June 2026 (unaudited)
Gansu Jingli Expressway Longnan Management Co., Ltd.	315,892	21,609	-	-	-	-	-	-	-	337,501	-
Others	16,574,031	421,891	(3,360)	(105,703)	(4,749)	41,798	(14,315)	(69,081)	(8,335)	16,832,177	198,163
Subtotal	30,967,089	697,787	(3,360)	(74,392)	(4,749)	42,563	(109,672)	(69,081)	(8,335)	31,437,850	198,163
Total	41,149,388	783,347	(3,360)	(36,374)	(4,749)	42,242	(112,172)	(69,081)	(8,335)	41,740,906	417,883

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

RMB'000

Item	Balance of provision for impairment at 31 December 2025	Increase for the period	Decrease for the period	Balance of provision for impairment at 30 June 2026 (unaudited)
I. Joint ventures				
Tianjin Zhongji Equipment Manufacture Co., Ltd.	154,830	–	–	154,830
Ningcheng Hongda Mining Co., Ltd.	64,890	–	–	64,890
Subtotal	219,720	–	–	219,720
II. Associates				
Tianjin Seri Machinery Equipment Corporation Ltd.	98,855	–	–	98,855
MCC Jingcheng (Xiangtan) Heavy Industry Equipment Co., Ltd.	54,433	–	–	54,433
Inner Mongolia MCC Debang Real Estate Co., Ltd.	23,168	–	–	23,168
MCC Xiangxi Mining Industry Co., Ltd.	14,586	–	–	14,586
Others	7,121	–	–	7,121
Subtotal	198,163	–	–	198,163
Total	417,883	–	–	417,883

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

13. Investments in other equity instruments

RMB'000

Item	Carrying amount at 30 June 2026 (unaudited)	Carrying amount at 31 December 2025
Investments in non-trading equity instruments		
Including: Stock investments of listed companies	328,082	377,089
Equity investments of unlisted companies	1,212,871	1,412,324
Total	1,540,953	1,789,413

Since these investments are non-tradable equity instruments and the Group is not expected to sell them in the foreseeable future, the Group designates these investments as financial assets at FVTOCI. The method for determining the fair values of investments in other equity instruments can be found in Note XII.

RMB'000

Item	Gains or losses related to derecognised investments	Gains or losses related to investments held at the end of the period	Accumulated gains/(losses) recognised in other comprehensive income (unaudited)	Dividend income for the period (unaudited)	Reason for designation at fair value through other comprehensive income
Investments in non-tradable equity instruments					
Including: Stock investments of listed companies	–	49,007	61,762	–	Non-trading
Equity investments of unlisted companies	7,962	1,770	(97,003)	1,057	Non-trading
Total	7,962	50,777	(35,241)	1,057	/

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

13. Investments in other equity instruments (Continued)

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

RMB'000

Item	Fair value at derecognition	Accumulated gains transferred to retained earnings upon derecognition	Accumulated losses transferred to retained earnings upon derecognition	Reasons for derecognition
Investments in non-tradable equity instruments				
Including: Equity investments of unlisted companies	232,366	1,849	–	Disposal
Total	232,366	1,849	–	/

14. Other non-current financial assets

RMB'000

Item	Carrying amount at 30 June 2026 (unaudited)	Carrying amount at 31 December 2025
Financial assets at FVTPL		
Including: Investments in unlisted funds and trust products	4,349,356	4,356,773
Others	17,915	17,123
Total	4,367,271	4,373,896

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

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

15. Investment properties

For the six months ended 30 June 2026 (unaudited):

RMB'000

Item	Buildings	Land use rights	Total
Cost			
31 December 2025	7,553,771	1,706,928	9,260,699
Decrease for the period	36,058	1,285	37,343
Disposal	8,460	1,285	9,745
Changes in exchange rate	27,598	–	27,598
30 June 2026	7,517,713	1,705,643	9,223,356
Accumulated depreciation and amortisation			
31 December 2025	1,502,651	416,514	1,919,165
Increase for the period	95,313	19,404	114,717
Charge for the period or amortisation	95,313	19,404	114,717
Decrease for the period	5,827	757	6,584
Disposal	1,546	757	2,303
Changes in exchange rate	4,281	–	4,281
30 June 2026	1,592,137	435,161	2,027,298
Provision for impairment			
31 December 2025	37,063	–	37,063
Increase for the period	3,410	–	3,410
Charge for the period	3,410	–	3,410
Decrease for the period	179	–	179
Changes in exchange rate	179	–	179
30 June 2026	40,294	–	40,294
Net book value			
30 June 2026	5,885,282	1,270,482	7,155,764
31 December 2025	6,014,057	1,290,414	7,304,471

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

15. Investment properties (Continued)

As at 30 June 2026, investment properties of which certificates of title have not been obtained are as follows (unaudited):

RMB'000

Item	Carrying amount	Reasons for title certificates outstanding
Buildings	46,579	In progress

16. Fixed assets

(1) Changes in fixed assets

For the six months ended 30 June 2026 (unaudited):

RMB'000

Item	Buildings	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
Cost					
31 December 2025	22,627,868	11,220,967	1,520,627	2,490,448	37,859,910
Increase for the period	358,066	275,116	17,774	43,646	694,602
Additions	42,606	202,087	17,761	41,605	304,059
Transfer from construction in progress	315,394	73,023	–	2,032	390,449
Changes in exchange rate	66	6	13	9	94
Decrease for the period	154,375	94,580	63,431	68,758	381,144
Disposal or retirement	115,939	71,446	49,665	63,543	300,593
Transfer to construction in progress	5,798	1,943	–	–	7,741
Changes in exchange rate	32,638	21,191	13,766	5,215	72,810
30 June 2026	22,831,559	11,401,503	1,474,970	2,465,336	38,173,368
Accumulated depreciation					
31 December 2025	8,980,074	7,461,764	1,106,067	1,827,533	19,375,438
Increase for the period	345,317	305,738	56,547	105,718	813,320
Charge for the period	345,252	305,734	56,534	105,709	813,229
Changes in exchange rate	65	4	13	9	91
Decrease for the period	20,090	77,686	53,530	64,708	216,014
Disposal or retirement	2,272	64,942	47,235	60,726	175,175
Transfer to construction in progress	668	1,226	–	–	1,894
Changes in exchange rate	17,150	11,518	6,295	3,982	38,945
30 June 2026	9,305,301	7,689,816	1,109,084	1,868,543	19,972,744

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

16. Fixed assets (Continued)

(1) Changes in fixed assets (Continued)

For the six months ended 30 June 2026 (unaudited): (Continued)

RMB'000

Item	Buildings	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
Provision for impairment					
31 December 2025	1,461,306	403,341	2,974	1,680	1,869,301
Decrease for the period	18	408	9	–	435
Disposal or retirement	18	373	9	–	400
Changes in exchange rate	–	35	–	–	35
30 June 2026	1,461,288	402,933	2,965	1,680	1,868,866
Net book value					
30 June 2026	12,064,970	3,308,754	362,921	595,113	16,331,758
31 December 2025	12,186,488	3,355,862	411,586	661,235	16,615,171

(2) Temporary idle fixed assets

As at 30 June 2026, temporary idle fixed assets are as follows (unaudited):

RMB'000

Item	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Remark
Buildings	143,334	26,650	110,850	5,834	Seasonal suspension or idle
Machinery and equipment	122,412	17,323	99,823	5,266	Seasonal suspension or idle
Office equipment and others	25	23	–	2	Seasonal suspension or idle

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

16. Fixed assets (Continued)

(3) Fixed assets under operating leases

RMB'000

Item	Carrying amount at 30 June 2026 (unaudited)
Buildings and others	**135,915**

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

As at 30 June 2026, fixed assets of which certificates of title have not been obtained are as follows (unaudited):

RMB'000

Item	Carrying amount	Reasons for title certificates outstanding
Buildings	83,249	In progress

17. Construction in progress

(1) Classification of construction in progress

RMB'000

Category	30 June 2026 (unaudited)	31 December 2025
Construction in progress	**4,633,455**	4,716,848
Materials for construction of fixed assets	**30,725**	30,832
Total	**4,664,180**	4,747,680

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

17. Construction in progress (Continued)

(2) *Construction in progress*

(a) *Items*

RMB'000

Item	30 June 2026 (unaudited) Gross carrying amount	Provision for impairment	Carrying amount	31 December 2025 Gross carrying amount	Provision for impairment	Carrying amount
Hubei Huangshi Daquan Road Ecological Corridor	1,199,260	–	1,199,260	1,175,434	–	1,175,434
MCC5 Group Lingang Headquarters Base Project	449,942	–	449,942	447,996	–	447,996
Hubei Huangshi Cihu Green Corridor Project	410,257	–	410,257	400,668	–	400,668
Others	2,576,207	2,211	2,573,996	2,694,961	2,211	2,692,750
Total	4,635,666	2,211	4,633,455	4,719,059	2,211	4,716,848

(b) *Changes of significant items of construction in progress*

For the six months ended 30 June 2026 (unaudited)

RMB'000

Item	Budget amount	31 December 2025	Increase for the period	Transfer to fixed assets and intangible assets	Other decrease for the period	30 June 2026	Cost incurred as a percentage of budgeted amount (%)	Accumulated capitalised borrowing costs	Including: Capitalised borrowing costs for the period	Rate of borrowing costs capitalised for the period (%)	Sources of fund
Hubei Huangshi Daquan Road Ecological Corridor	1,578,905	1,175,434	23,826	–	–	1,199,260	75.96	47,794	929	3.90	Self-financing and loans from financial institutions
MCC5 Group Lingang Headquarters Base Project	916,180	447,996	1,946	–	–	449,942	82.61	–	–	/	Own funds
Hubei Huangshi Cihu Green Corridor Project	469,701	400,668	9,589	–	–	410,257	87.34	13,323	391	4.08	Self-financing and loans from financial institutions
Others	9,357,454	2,694,961	290,595	(397,708)	(11,641)	2,576,207	/	47,791	34,873	/	/
Total	12,322,240	4,719,059	325,956	(397,708)	(11,641)	4,635,666	/	108,908	36,193	/	/

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

17. Construction in progress (Continued)

(2) *Construction in progress (Continued)*

(b) *Changes of significant items of construction in progress (Continued)*

For the six months ended 30 June 2026, the Group did not accrue any impairment provision for construction in progress (for the six months ended 30 June 2025: Nil). As at 30 June 2026, the Group's impairment provision for construction in progress amounted to RMB2,211,000 (as at 31 December 2025: RMB2,211,000).

(3) *Materials for construction of fixed assets*

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Special materials	18,029	14,558
Special equipment	12,696	16,274
Total	30,725	30,832

18. Right-of-use assets

For the six months ended 30 June 2026 (unaudited):

RMB'000

Item	Buildings	Transportation vehicles	Machinery and equipment	Others	Total
Cost					
31 December 2025	1,024,894	2,513	34,780	100,832	1,163,019
Increase for the period	85,684	1,373	–	1,825	88,882
New leases	85,684	1,373	–	1,825	88,882
Decrease for the period	75,094	1,536	1,610	15,580	93,820
Disposal	74,619	1,536	1,607	12,731	90,493
Changes in exchange rate	475	–	3	2,849	3,327
30 June 2026	1,035,484	2,350	33,170	87,077	1,158,081

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

18. Right-of-use assets (Continued)

For the six months ended 30 June 2026 (unaudited): (Continued)

RMB'000

Item	Buildings	Transportation vehicles	Machinery and equipment	Others	Total
Accumulated depreciation					
31 December 2025	496,214	2,486	33,809	65,590	598,099
Increase for the period	80,194	616	345	8,708	89,863
Charge for the period	80,194	616	345	8,708	89,863
Decrease for the period	47,100	1,189	1,609	10,163	60,061
Disposal	46,776	1,189	1,607	8,236	57,808
Changes in exchange rate	324	–	2	1,927	2,253
30 June 2026	529,308	1,913	32,545	64,135	627,901
Net book value					
30 June 2026	506,176	437	625	22,942	530,180
31 December 2025	528,680	27	971	35,242	564,920

For the six months ended 30 June 2026, the Group's short-term leasing fee and leasing fee for assets with low value, which are simplified and charged to current profit or loss, totalled RMB466,832,000 (For the six months ended 30 June 2025: RMB585,665,000).

19. Intangible assets

For the six months ended 30 June 2026 (unaudited):

RMB'000

Item	Land use rights	Mining rights	Franchise	Computer software	Trademark rights	Patent, proprietary technology and others	Total
Cost							
31 December 2025	6,548,768	2,468,561	26,389,613	1,174,792	270	631,595	37,213,599
Increase for the period	–	–	1,765,320	34,808	–	1,049	1,801,177
Purchase	–	–	1,765,320	27,549	–	1,049	1,793,918
Transfer from construction in progress	–	–	–	7,259	–	–	7,259
Decrease for the period	26,247	4,526	3,366	11,733	–	722	46,594
Disposal or retirement	24,708	–	3,366	11,706	–	722	40,502
Changes in exchange rate	1,539	4,526	–	27	–	–	6,092
30 June 2026	6,522,521	2,464,035	28,151,567	1,197,867	270	631,922	38,968,182

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

19. Intangible assets (Continued)

For the six months ended 30 June 2026 (unaudited): (Continued)

RMB'000

Accumulated amortisation							
31 December 2025	2,064,122	36,557	5,055,097	810,155	270	166,390	8,132,591
Increase for the period	66,208	–	402,871	46,429	–	10,812	526,320
Charge for the period	66,208	–	402,871	46,429	–	10,812	526,320
Decrease for the period	10,012	–	3,252	11,729	–	722	25,715
Disposal or retirement	10,008	–	3,252	11,706	–	722	25,688
Changes in exchange rate	4	–	–	23	–	–	27
30 June 2026	2,120,318	36,557	5,454,716	844,855	270	176,480	8,633,196
Provision for impairment							
31 December 2025	51,418	2,432,004	–	21	–	–	2,483,443
Increase for the period	–	–	192,452	–	–	–	192,452
Charge for the period	–	–	192,452	–	–	–	192,452
Decrease for the period	893	4,526	–	–	–	–	5,419
Changes in exchange rate	893	4,526	–	–	–	–	5,419
30 June 2026	50,525	2,427,478	192,452	21	–	–	2,670,476
Carrying amount							
30 June 2026	4,351,678	–	22,504,399	352,991	–	455,442	27,664,510
31 December 2025	4,433,228	–	21,334,516	364,616	–	465,205	26,597,565

As at 30 June 2026, the percentage of the internally developed intangible assets of the total intangible assets of the Group was 0.007% (as at 31 December 2025: 0.007%).

As at 30 June 2026, the accumulated impairment provision for intangible assets related to the Cape Lambert Iron Project amounted to RMB2,406,979,000, including the provision for the decrease of exchange fluctuation of Australian dollars of RMB143,998,000. The related intangible assets belong to the featured business segment.

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

20. Goodwill

(1) Changes in carrying amount of goodwill

RMB'000

Investee	31 December 2025	**Changes**	**30 June 2026 (unaudited)**
Chengdu Yexingrunda New Building Materials Co., Ltd.	1,162	–	**1,162**
Shanghai Jinmin Real Estate Co., Ltd.	6,483	–	**6,483**
Chengde Tiangong Architectural Design Co., Ltd.	33,460	–	**33,460**
China Metallurgical Construction Engineering Group Chongqing Heyuan Concrete Co. Ltd.	18,533	–	**18,533**
Beijing Tianrun Construction Co., Ltd.	5,142	–	**5,142**
MCC Minera Sierra Grande S. A.	12,437	**(26)**	**12,411**
Shanghai WuGang Equipment Engineering Co., Ltd.	1,114	–	**1,114**
Subtotal	78,331	**(26)**	**78,305**
Less: Provision for impairment	30,970	**(26)**	**30,944**
Total	47,361	–	**47,361**

(2) Changes in provision for impairment of goodwill

RMB'000

Investee	31 December 2025	**Changes**	**30 June 2026 (unaudited)**
China Metallurgical Construction Engineering Group Chongqing Heyuan Concrete Co., Ltd.	18,533	–	**18,533**
MCC Minera Sierra Grande S. A.	12,437	**(26)**	**12,411**
Total	30,970	**(26)**	**30,944**

When the Group performs impairment assessment on goodwill arising from business combination, the Group allocates the carrying amount of goodwill to the asset group or portfolio that is expected to benefit from the synergistic effect of enterprise merger and evaluates the recoverable amount of the asset group or portfolio that contains the apportioned goodwill.

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

20. Goodwill (Continued)

(2) Changes in provision for impairment of goodwill (Continued)

The recoverable amount of the asset groups is calculated based on the present value of future cash flows which is approved by the management. Cash flow projections during the forecast period for the asset groups are based on the expected growth rates and profit margins during the forecast period. The growth rate forecast is determined based on the expected growth rate of the industry. The profit margin forecast is determined based on the past performance of the market and the expectations of management. The recoverable amount of the asset groups of the other invested companies is calculated based on the present value of future cash flows but is not significant to the Group.

21. Long-term prepaid expenses

RMB'000

Item	31 December 2025	Increase for the period	Amortisation for the period	30 June 2026 (unaudited)
Leasehold improvements	103,493	7,743	12,458	98,778
Maintenance fee	32,872	5,743	4,977	33,638
Insurance premiums	3,043	–	489	2,554
Others	203,050	16,608	26,221	193,437
Total	342,458	30,094	44,145	328,407

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

22. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB'000

Item	30 June 2026 (unaudited) Deductible temporary differences/tax losses	30 June 2026 (unaudited) Deferred tax assets	31 December 2025 Deductible temporary differences/tax losses	31 December 2025 Deferred tax assets
Provision for impairment of assets	48,793,519	8,346,365	47,755,044	8,151,897
Unrealised profit on inter-company transactions	964,769	207,530	998,588	213,130
Accrued expenses	428,053	82,635	433,006	82,846
Deductible losses	1,826,327	290,210	1,488,262	234,053
Defined benefit plan	142,351	30,989	193,874	41,750
Lease liabilities	636,263	108,143	619,636	105,012
Employee benefits payable	471,443	79,610	497,040	89,152
Changes in fair value	258,850	44,117	275,484	47,870
Others	976,050	176,847	1,012,408	179,202
Total	54,497,625	9,366,446	53,273,342	9,144,912

(2) Deferred tax liabilities before offsetting

RMB'000

Item	30 June 2026 (unaudited) Taxable temporary differences	30 June 2026 (unaudited) Deferred tax liabilities	31 December 2025 Taxable temporary differences	31 December 2025 Deferred tax liabilities
Right-of-use assets	485,125	80,220	518,346	84,402
Changes in fair value of investments in other equity instruments	222,210	25,616	265,944	34,952
Others	727,450	165,217	688,282	160,187
Total	1,434,785	271,053	1,472,572	279,541

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

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

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

RMB'000

Item	30 June 2026 (unaudited) The offset amount of deferred tax assets and liabilities	30 June 2026 (unaudited) Deferred tax assets and liabilities after offsetting	31 December 2025 The offset amount of deferred tax assets and liabilities	31 December 2025 Deferred tax assets and liabilities after offsetting
Deferred tax assets	**156,278**	**9,210,168**	159,505	8,985,407
Deferred tax liabilities	**156,278**	**114,775**	159,505	120,036

(4) Details of unrecognised deferred tax assets

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Deductible temporary differences	**15,286,288**	15,257,648
Deductible losses	**7,258,969**	6,574,162
Total	**22,545,257**	21,831,810

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

RMB'000

Maturity date	30 June 2026 (unaudited)	31 December 2025
Within 1 year	**357,934**	604,414
1 to 2 years	**825,931**	910,669
2 to 3 years	**999,178**	1,065,536
3 to 4 years	**1,674,531**	1,768,136
Over 4 years	**3,401,395**	2,225,407
Total	**7,258,969**	6,574,162

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

23. Other non-current assets

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Contract assets for PPP project	15,389,721	15,250,033
Warranty deposit	16,892,450	16,987,590
Debt-expiated assets	5,354,668	4,691,307
Prepayments for purchase of assets for own use	48,687	48,687
Others	173,606	65,411
Subtotal	37,859,132	37,043,028
Less: Impairment provision	983,395	978,746
Total	36,875,737	36,064,282

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

For the six months ended 30 June 2026

RMB'000

Item	31 December 2025	Provision for the period	Reversal for the period	Other movements	30 June 2026 (unaudited)
Provision for impairment of assets	978,746	4,722	(569)	496	983,395

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

24. Assets with restricted ownership or right to use

30 June 2026

RMB'000

Item	30 June 2026 (unaudited)	Reason for restriction
Cash and bank balances	**8,885,857**	Frozen/Regulated
Notes receivable	**1,559**	Pledge
Notes receivable	**2,019,755**	Endorsed or discounted
Accounts receivable	**6,627,288**	Pledge
Receivables financing	**55,820**	Pledge
Investment properties	**2,169,929**	Mortgage/Frozen
Fixed assets	**480,911**	Mortgage/Frozen
Construction in progress	**139,577**	Mortgage
Intangible assets	**3,491,658**	Pledge/Mortgage
Other non-current assets	**8,107,197**	Pledge
Total	**31,979,551**	/

31 December 2025

RMB'000

Item	31 December 2025	Reason for restriction
Cash and bank balances	8,278,623	Frozen/Regulated
Notes receivable	830	Pledge
Notes receivable	3,005,479	Endorsed or discounted
Accounts receivable	4,081,368	Pledge
Long-term receivables	543,940	Pledge
Receivables financing	178,371	Pledge
Inventories	207,717	Mortgage
Investment properties	1,990,740	Mortgage/Frozen
Fixed assets	418,029	Mortgage/Frozen
Construction in progress	81,481	Mortgage
Intangible assets	7,364,003	Mortgage
Other non-current assets	9,322,336	Pledge
Total	35,472,917	/

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

25. Short-term borrowings

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Pledged loans *(a)*	1,098,056	797,534
Mortgaged loans *(b)*	610,928	703,997
Credit loans	18,767,460	20,625,682
Total	20,476,444	22,127,213

(a) As at 30 June 2026, the pledged loans of RMB1,098,056,000 (as at 31 December 2025: RMB797,534,000) were secured by the pledge of the Group's accounts receivable, notes receivable and receivables financing in an aggregate carrying amount of RMB1,149,423,000 (as at 31 December 2025: RMB797,534,000).

(b) As at 30 June 2026, the mortgaged loans of RMB610,928,000 (as at 31 December 2025: RMB703,997,000) were secured by the mortgage of the Group's investment properties, intangible assets and fixed assets in an aggregate carrying amount of RMB709,828,000 (as at 31 December 2025: RMB812,227,000).

As at 30 June 2026, the Group had no significant overdue short-term borrowings.

26. Notes payable

RMB'000

Category	30 June 2026 (unaudited)	31 December 2025
Bank acceptances	24,473,883	24,323,332
Commercial acceptances	1,996,910	1,284,983
Total	26,470,793	25,608,315

As at 30 June 2026, the Group had no significant overdue notes payable.

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

27. Accounts payable

(1) Classification of accounts payable

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Project fees	276,863,304	289,213,441
Purchases	68,909,753	73,818,529
Labour fees	27,046,464	29,030,083
Quality guarantee deposit	1,638,127	1,745,277
Design fees	561,351	664,999
Others	1,252,684	2,128,544
Total	376,271,683	396,600,873

(2) Aging analysis of accounts payable

RMB'000

Aging	30 June 2026 (unaudited)	31 December 2025
Within 1 year	260,710,451	283,249,627
1 to 2 years	70,362,627	73,677,289
2 to 3 years	26,506,938	20,907,224
Over 3 years	18,691,667	18,766,733
Total	376,271,683	396,600,873

As at 30 June 2026, accounts payable of RMB115,561,232,000 aged over one year were mainly due to project and materials payable, as both parties remained business transactions and the amount has not been settled. As at 30 June 2026, there are no significant accounts payable that are individually older than 1 year or overdue. The aging of the Group's accounts payable is based on the point of settlement of works or cost recognition.

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

27. Accounts payable (Continued)

(2) Aging analysis of accounts payable (Continued)

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

As at 30 June 2026, the balance of accounts payable under the arrangement amounted to RMB40,631,511,000 (as at 31 December 2025: RMB41,478,897,000), of which RMB38,754,461,000 represents funds already received by suppliers from the financing providers.

Payment maturity range:

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

For the six months ended 30 June 2026, under the aforementioned financing arrangements, the Group did not have any material non-cash transactions such as business combinations or exchange differences, nor did it reclassify any amounts from accounts payable to short-term borrowings that would not involve cash flows.

28. Receipts in advance

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Receipts in advance	**74,754**	69,347
Total	**74,754**	69,347

As at 30 June 2026, there are no significant receipts in advance aged over one year or any receipts in advance with significant changes in carrying amount.

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

29. Contract liabilities

(1) Classification of contract liabilities

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Contract liabilities relating to engineering contracting service contracts	**48,537,835**	53,661,656
Contract liabilities formed by receipt of property sales amount in advance	**1,365,405**	880,214
Contract liabilities relating to sales contracts	**763,506**	1,260,911
Contract liabilities relating to contracts of other customers	**434,945**	334,255
Total	**51,101,691**	56,137,036

(2) Qualitative analysis on contract liabilities

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

(a) As described in Note VII, 8, the engineering contracting services provided by the Group require regular settlements with the customers. Under normal circumstances, there are some time differences among the implementation and settlement progress of the engineering contracting service contracts or the progress of receipt. As at 30 June 2026, the implementation progress of some engineering contracting service contracts lagged behind the settlement progress or receipt progress, which means the Group has acquired the contract consideration or the right to gain contract consideration unconditionally, thus forming the contract liabilities relating to engineering contracting services. For the period ended 30 June 2026, the Group recognised RMB24,428,322,000 in RMB53,661,656,000 of contract liabilities related to the engineering contracting service on 31 December 2025 as the engineering contracting income for the current year based on the performance of engineering contracting service contracts signed with clients, and the remaining amounts will be recognised when the Group performs its obligations for its clients in subsequent periods.

(b) The sales contracts and property sales contracts of the Group are normally satisfied at a point in time. The Group will recognise revenue at the time of acquiring the control of the related goods. As at 30 June 2026, the implementation time of performance obligation of the Group in the sales contracts and property sales contracts were later than the payment time of the customers, thus forming the related contract liabilities of the sales contracts and property sales contracts.

As at 30 June 2026, there are no significant contract liabilities aged over one year or any contract liabilities with significant changes in carrying amount.

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

30. Employee benefits payable

(1) Classification of employee benefits payable

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)
Short-term employee benefits	2,855,606	10,080,618	10,759,083	2,177,141
Post-employment benefits – defined contribution plan	254,163	1,786,935	1,773,761	267,337
Termination benefits	387	33,661	33,806	242
Other benefits	51,831	726,520	733,196	45,155
Total	3,161,987	12,627,734	13,299,846	2,489,875

(2) Short-term employee benefits

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)
Wages or salaries, bonuses, allowances and subsidies	1,488,212	7,739,037	8,457,025	770,224
Employee welfare	26,633	439,066	442,520	23,179
Social insurance contributions	39,340	777,758	769,215	47,883
Including: Medical insurance	36,208	699,248	691,511	43,945
Work injury insurance	2,875	65,532	64,652	3,755
Maternity insurance	257	12,978	13,052	183
Housing funds	93,729	886,842	881,716	98,855
Union running costs and employee education costs	1,207,692	237,915	208,607	1,237,000
Total	2,855,606	10,080,618	10,759,083	2,177,141

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

30. Employee benefits payable (Continued)

(3) Defined contribution plan

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)
Basic pension insurance	106,028	**1,209,595**	**1,195,808**	**119,815**
Unemployment insurance	4,570	**42,349**	**41,839**	**5,080**
Annuity	143,565	**534,991**	**536,114**	**142,442**
Total	254,163	**1,786,935**	**1,773,761**	**267,337**

The Group participated in the social insurance premiums plans set up by the government according to the regulations. According to the plan, the Group makes deposits into the plans according to the regulations. Other than the deposits mentioned above, the Group does not need to make any further payments. The corresponding expenses shall be charged to profit or loss or the cost of related assets in the period as and when incurred.

For the six months ended 30 June 2026, the Group made deposits amounting to RMB1,786,935,000 (for the six months ended 30 June 2025: RMB1,972,821,000) to the defined contribution plans. As at 30 June 2026, there was a payable amount of RMB267,337,000 (as at 31 December 2025: RMB254,163,000) accrued but not paid during the reporting period.

31. Taxes payable

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Value added tax ("VAT")	**449,324**	695,333
Enterprise income tax	**1,321,382**	1,621,331
Individual income tax	**59,183**	288,216
Urban maintenance and construction tax	**28,285**	30,597
Education surcharge	**19,661**	19,843
Land appreciation tax	**171,099**	192,438
Others	**124,516**	121,382
Total	**2,173,450**	2,969,140

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

32. Other payables

(1) Classification of other payables

RMB'000

Category	30 June 2026 (unaudited)	31 December 2025
Interest payable	38,658	34,190
Dividends payable	2,509,822	992,051
Other payables	43,586,034	49,229,937
Total	46,134,514	50,256,178

(2) Interest payable

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Interest payable of short-term borrowings	36,018	31,737
Others	2,640	2,453
Total	38,658	34,190

As at 30 June 2026, the Group had no material outstanding interest payable.

(3) Dividends payable

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Interest on perpetual bonds classified as equity instrument	1,393,464	555,048
Shareholders' dividends	1,116,358	437,003
Total	2,509,822	992,051

As at 30 June 2026, dividends aged over one year but not settled yet amounted to RMB361,083,000, and relevant subsidiaries are discussing with the shareholders for the payments schedule.

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

32. Other payables (Continued)

(4) Other payables

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Current accounts	27,325,641	31,060,956
Guarantees	11,222,755	12,439,603
Deposits	1,138,946	1,332,078
Others	3,898,692	4,397,300
Total	43,586,034	49,229,937

As at 30 June 2026, other payables aged over one year of RMB18,774,897,000 (as at 31 December 2025: RMB16,707,316,000) were mainly current accounts, guarantees and deposits payable collected by the Group. Since both parties remained business transactions, the amount has not been settled.

As at 30 June 2026, there are no significant other payables aged over one year or overdue individually.

33. Non-current liabilities due within one year

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Long-term borrowings due within one year *(Note VII, 35)*	10,964,296	13,791,192
Bonds payable due within one year *(Note VII, 36)*	19,533	48,833
Lease liabilities due within one year *(Note VII, 37)*	174,797	191,694
Long-term payables due within one year *(Note VII, 38)*	188,327	242,742
Long-term employee benefits payable due within one year *(Note VII, 39)*	251,470	264,502
Total	11,598,423	14,538,963

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

34. Other current liabilities

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Amounts to be transferred to output VAT	31,238,654	34,296,794
Total	31,238,654	34,296,794

35. Long-term borrowings

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Pledged loans *(a)*	13,937,788	15,150,264
Mortgaged loans *(b)*	1,344,171	1,598,197
Guaranteed loans *(c)*	1,593,859	1,308,389
Credit loans	40,082,127	37,181,034
Total	56,957,945	55,237,884
Including: Long-term borrowings due within one year *(Note VII, 33)*	10,964,296	13,791,192
Including: Pledged loans	2,744,405	2,628,338
Mortgage loans	47,836	49,660
Credit loans	8,172,055	11,113,194
Long-term borrowings due over one year	45,993,649	41,446,692

(a) As at 30 June 2026, long-term borrowings of RMB13,937,788,000 (as at 31 December 2025: RMB15,150,264,000) were secured by the pledge of the Group's accounts receivable, intangible assets and other non-current assets in amount of RMB17,058,898,000 (as at 31 December 2025: RMB19,945,876,000).

(b) As at 30 June 2026, long-term borrowings of RMB1,344,171,000 (as at 31 December 2025: RMB1,598,197,000) were secured by the mortgage of the Group's fixed assets, investment properties, and construction in progress in amount of RMB2,017,977,000 (as at 31 December 2025: RMB2,314,137,000).

(c) As at 30 June 2026, long-term borrowings of RMB1,593,859,000 (as at 31 December 2025: RMB1,308,389,000) were guaranteed by third party.

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

35. Long-term borrowings (Continued)

RMB'000

Maturity date of long-term borrowings due over one year	30 June 2026 (unaudited)	31 December 2025
1 to 2 years	10,593,648	10,146,226
2 to 5 years	15,583,205	14,083,369
Over 5 years	19,816,796	17,217,097
Total	45,993,649	41,446,692

For the six months ended 30 June 2026, the weighted average interest rate of long-term borrowings was 3.23% per annum (For the six months ended 30 June 2025: 3.44% per annum). As at 30 June 2026, the Group did not have any significant overdue long-term borrowings.

36. Bonds payable

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Medium-term notes	2,019,533	2,048,833
Total	2,019,533	2,048,833
Including: Bonds payable due within one year (Note VII, 33)	19,533	48,833
Bonds payable due over one year	2,000,000	2,000,000

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

36. Bonds payable (Continued)

For the six months ended 30 June 2026, the movements of bonds payable are as follows (unaudited):

RMB'000

Name of bonds	Face value	Issue date	Bond maturity	Issue amount	31 December 2025	Issued in the current period	Resale in the current period	Interest accrued based on face value	Repurchase in the current period	Repaid in the current period	30 June 2026 (unaudited)
Corporate bonds publicly issued by the Company in 2024 (first tranche) *(a)*	1,000,000	2024/2/21 to 2024/2/22	10 years	1,000,000	1,024,483	–	–	14,700	–	29,400	1,009,783
Corporate bonds publicly issued by the Company in 2024 (second tranche) *(b)*	1,000,000	2024/2/23 to 2024/2/26	10 years	1,000,000	1,024,350	–	–	14,600	–	29,200	1,009,750
Total	2,000,000	/	/	2,000,000	2,048,833	–	–	29,300	–	58,600	2,019,533

(a) The Company issued medium-term notes on a public issuance basis from 21 February 2024 to 22 February 2024 at an equal price with the face value of RMB1,000,000,000 with a term of ten years from issuance and interest bearing at a fixed rate of 2.94%. Interest will be paid every year and principal will be paid upon maturity date. As at 30 June 2026, there was no default on the bonds.

(b) The Company issued medium-term notes on a public issuance basis from 23 February 2024 to 26 February 2024 at an equal price with the face value of RMB1,000,000,000 with a term of ten years from issuance and interest bearing at a fixed rate of 2.92%. Interest will be paid every year and principal will be paid upon maturity date. As at 30 June 2026, there was no default on the bonds.

37. Lease liabilities

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Building lease	506,385	565,409
Other leases	47,618	36,682
Total	554,003	602,091
Less: Lease liabilities due within one year (Note VII, 33)	174,797	191,694
Lease liabilities due over one year	379,206	410,397

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

37. Lease liabilities (Continued)

RMB'000

Maturity date of lease liabilities	**30 June 2026 (unaudited)**	31 December 2025
1st year subsequent to the balance sheet date	**188,923**	216,118
2nd year subsequent to the balance sheet date	**134,390**	141,682
3rd year subsequent to the balance sheet date	**88,784**	91,445
Subsequent years	**205,756**	225,955
Total minimum lease payments	**617,853**	675,200
Less: Unrecognised financing cost	**63,850**	73,109
Total lease liabilities	**554,003**	602,091

38. Long-term payables

RMB'000

Item	**30 June 2026 (unaudited)**	31 December 2025
Long-term payables	**1,072,557**	1,207,887
Special payables	**26,353**	27,133
Total	**1,098,910**	1,235,020
Less: Long-term payables due within one year *(Note VII, 33)*	**188,327**	242,742
Long-term payables due over one year	**910,583**	992,278

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

38. Long-term payables (Continued)

(1) *Long-term payables disclosed by nature*

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Housing maintenance fund	28,997	28,997
Amounts due to funds	376,858	376,858
Payments for construction and quality guarantee deposit	546,905	624,089
Others	119,797	177,943
Total	1,072,557	1,207,887
Less: Long-term payables due within one year	188,327	242,742
Long-term payables due over one year	884,230	965,145

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

RMB'000

Maturity date	30 June 2026 (unaudited)	31 December 2025
1 to 2 years	233,972	363,576
2 to 5 years	186,000	177,774
Over 5 years	464,258	423,795
Total	884,230	965,145

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

38. Long-term payables (Continued)

(3) For the six months ended 30 June 2026, the movements of special payables are as follows:

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)	Including: Amount due within one year *(unaudited)*
Special payables for water/power/gas supply and property *(Note)*	21,599	–	–	21,599	–
Others	5,534	300	1,080	4,754	–
Total	27,133	300	1,080	26,353	–

Note: The Group has commenced the transfer of water/power/gas supply and property with the received special payables for water/power/gas supply and property aggregated to the special payables for settlement, in accordance with the Notice of Rewarding the Guidance on the Separation and Transfer of Water/Power/Gas Supply and Property in Residential Quarters for Employees of the State-owned Enterprises by State-owned Assets Supervision and Administration Commission of the State Council, the MoF from the General Office of the State Council (Guo Ban Fa [2016] No. 45), and the Management of Central Government Grants on the Separation and Transfer of Water/Power/Gas Supply and Property to Employees and Their Relatives of Central Enterprises (Cai Zi [2016] No. 38) and other related management documents.

39. Long-term employee benefits payable

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Post-employment benefits – Net liability arising from defined benefit plans	2,687,464	2,740,057
Less: Long-term employee benefits payable due within one year (Note VII, 33)	251,470	264,502
Long-term employee benefits payable due over one year	2,435,994	2,475,555

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

39. Long-term employee benefits payable (Continued)

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

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Opening balance	2,740,057	3,751,124
Defined benefit costs recognised in profit or loss	26,049	29,847
Net interest expense	26,049	29,847
Defined benefit costs recognised in other comprehensive income	63,710	(137)
Actuarial losses/(profit)	63,710	(137)
Other changes	(142,352)	(167,527)
Benefits paid	(142,352)	(167,527)
Closing balance	2,687,464	3,613,307

The balance of RMB1,273,687,000 of defined benefit plan is a supplementary retirement benefit for employees who retired before 31 December 2007 and RMB1,413,777,000 is a supplementary retirement benefit for employees who retire before 30 June 2026. The retirement benefits received depend on the position, seniority, salary of the staff when the staff retires. The Group's supplementary retirement benefits obligation at the balance sheet date are calculated by an external independent actuary "Beijing Branch of Towers Watson Management Consulting (Shenzhen) Co., Ltd." using projected unit credit actuarial cost method.

Defined benefits plan exposes the Group to various risks, mainly including the risk of change of interest rate of treasury bonds, inflation rate risk, and risk of the increase in life expectancy. The decrease of the interest rate of treasury bonds will increase the defined benefit plan obligations. The Group is of the view that the interest rate of treasury bonds will not have significant fluctuations in the future. The changes of inflation rate will have impact on the significant assumptions of the living costs of the underlying staff and survivors, and the growth rate of the staff medical expense reimbursements. The Group believes these risks are not significant. The increase of the life expectancy will increase the defined benefit plan obligations.

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

Item	30 June 2026 (unaudited)	31 December 2025
Discount rate	1.75%	2.00%
Mortality rate	CLA CL5/CL6 up 3	CLA CL5/CL6 up 3
Annual growth rate of living cost for retirement staff and survivors	4.50%	4.50%
Annual growth rate of various employee medical expense reimbursement	8.00%	8.00%

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

39. Long-term employee benefits payable (Continued)

The relevant plans recognised in profit or loss are as follows:

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Net interest expense	**26,049**	29,847
Total	**26,049**	29,847

40. Provisions

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)
Pending litigations *(a)*	246,085	**8,392**	**7,163**	**247,314**
Product quality guarantees *(b)*	19,884	**2,701**	**1,735**	**20,850**
Restoration, rehabilitation and environmental provision *(c)*	2,977	**397**	**283**	**3,091**
Onerous contract to be performed *(d)*	171,857	**12,226**	**40,774**	**143,309**
The separation and hand-over cost of "Special payables for water/power/gas supply and property" *(e)*	98,712	**–**	**32,218**	**66,494**
Others	27,197	**2,631**	**–**	**29,828**
Total	566,712	**26,347**	**82,173**	**510,886**
Including: Provisions due over one year	566,712	**26,347**	**82,173**	**510,886**

(a) The Group recognises provisions for pending litigation where an unfavourable outcome is considered probable, creating a present obligation, and that an outflow of resources would be required to settle these obligations and the amount had been reliably estimated.

(b) According to the sales contract, the Group needed to bear the present obligations of the product quality guarantees, and an outflow of resources would be required to settle this obligation and the amount had been reliably estimated.

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

40. Provisions (Continued)

(c) According to the resource development contract, the Group needed to bear the present obligations of the restoration of the environment, and that an outflow of resources would be required to settle this obligation and the amount had been reliably estimated.

(d) According to the onerous contract to be performed, the Group needed to bear the present obligations arising from the Group's payment for expected contract loss, and an outflow of economic benefits would be required to settle this obligation and the amount could be reliably estimated.

(e) In accordance with the requirement of Guo Ban Fa [2016] No. 45, Cai Zi [2016] No. 38, and other related management documents, the Group shall bear the current obligation formed during the separation and hand-over of "Special payables for water/power/gas supply and property". An outflow of resources would be required to settle this obligation and the amount had been reliably estimated.

41. Deferred income

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)
Government grants	738,430	102,337	58,335	782,432
Others	562	2,352	2,386	528
Total	738,992	104,689	60,721	782,960

42. Other non-current liabilities

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Capital contribution by other partners (funds)	764,004	764,004
Total	764,004	764,004

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

43. Share capital

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Unrestricted shares		
Ordinary shares in RMB	17,852,619	17,852,619
Foreign-owned shares listed overseas	2,839,000	2,871,000
Total	20,691,619	20,723,619

Note: On 16 January 2026, the Company held the first extraordinary general meeting and discussed and approved the Proposal on Repurchasing the Company's A Shares and the Proposal on Authorising the Repurchase of the Company's H Shares. It's agreed that the Company can use its own capital to repurchase part of its issued A and H shares through centralised auction. Among these shares, the amount of A shares repurchased shall not be less than RMB1 billion (inclusive) and not more than RMB2 billion (inclusive). The maximum repurchase price shall not exceed RMB4.90 per share and all the repurchased shares shall be cancelled to reduce the Company's registered capital. The term for the repurchase is within 12 months since the repurchase plan is approved by the General meeting. According to the authorisation for the repurchase of H shares, the amount of H shares repurchased shall not exceed 10% of the total issued H shares on the date when the proposal on authorising the repurchase of H shares is discussed and approved by the relevant General meeting, and the price for the repurchase shall not exceed RMB500 million.

As at 30 June 2026, the Company accumulatively repurchased 85,731,626 A shares, which were not cancelled yet (refer to Note VII, 46 for details); The company accumulatively repurchased 32,000,000 H shares, which had been cancelled on 2 June 2026. The total amount of the transaction consideration and related transaction costs amounts to RMB49,318,000, which accordingly reduced the Company's share capital by RMB32,000,000 and capital reserve by RMB17,318,000.

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

44. Other equity instruments

RMB'000

Outstanding financial instruments	31 December 2025		Increase for the period		Decrease for the period		30 June 2026 (unaudited)	
	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount
Renewable Financing Instruments of Zhongyuan Wealth Growth No. 1152 Tranche in 2021	/	500,000	–	–	–	–	/	500,000
2023 MCC MTN010	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2023 MCC MTN011	1,400	1,400,000	–	–	–	–	1,400	1,400,000
2023 MCC MTN012	1,000	1,000,000	–	–	–	–	1,000	1,000,000
2023 MCC MTN013	1,000	1,000,000	–	–	–	–	1,000	1,000,000
2024 MCC MTN003	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2024 MCC MTN004	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2024 MCC MTN005A	1,000	1,000,000	–	–	–	–	1,000	1,000,000
2024 MCC MTN005B	1,000	1,000,000	–	–	–	–	1,000	1,000,000
2024 MCC MTN006	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2024 MCC MTN007	1,200	1,200,000	–	–	–	–	1,200	1,200,000
2024 MCC MTN008	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2024 MCC MTN009	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2024 MCC MTN010	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2024 MCC MTN011	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2024 MCC MTN012	1,200	1,200,000	–	–	–	–	1,200	1,200,000
2025 MCC MTN001	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN002	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN003	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN004	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN005	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN006	1,200	1,200,000	–	–	–	–	1,200	1,200,000
2025 MCC MTN007	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN008	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN009	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN010	800	800,000	–	–	–	–	800	800,000
2025 MCC MTN011	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN012	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN013	1,300	1,300,000	–	–	–	–	1,300	1,300,000
2025 MCC MTN014	2,000	2,000,000	–	–	–	–	2,000	2,000,000
2025 MCC MTN015A	1,600	1,600,000	–	–	–	–	1,600	1,600,000
2025 MCC MTN015B	900	900,000	–	–	–	–	900	900,000
2025 MCC MTN016	2,000	2,000,000	–	–	–	–	2,000	2,000,000
Total	/	54,100,000	–	–	–	–	/	54,100,000

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

44. Other equity instruments (Continued)

RMB'000

Outstanding financial instruments	Issue date	Dividend rate or interest rate	Issue amount	Maturity date or renewal	Terms of conversion	Conversion
Renewable Financing Instruments of Zhongyuan Wealth Growth No. 1152 Tranche in 2021	2021-12-29	4.95%	500,000	Undue	None	No
2023 MCC MTN010	2023-08-18 to 2023-08-21	3.05%	2,000,000	Undue	None	No
2023 MCC MTN011	2023-08-23 to 2023-08-24	3.04%	1,400,000	Undue	None	No
2023 MCC MTN012	2023-08-31 to 2023-09-01	3.10%	1,000,000	Undue	None	No
2023 MCC MTN013	2023-09-01 to 2023-09-04	3.22%	1,000,000	Undue	None	No
2024 MCC MTN003	2024-03-14 to 2024-03-15	2.79%	2,000,000	Undue	None	No
2024 MCC MTN004	2024-03-18 to 2024-03-19	2.74%	2,000,000	Undue	None	No
2024 MCC MTN005A	2024-07-24 to 2024-07-25	2.25%	1,000,000	Undue	None	No
2024 MCC MTN005B	2024-07-24 to 2024-07-25	2.54%	1,000,000	Undue	None	No
2024 MCC MTN006	2024-08-07 to 2024-08-08	2.25%	2,000,000	Undue	None	No
2024 MCC MTN007	2024-08-09 to 2024-08-12	2.75%	1,200,000	Undue	None	No
2024 MCC MTN008	2024-08-21 to 2024-08-22	2.40%	2,000,000	Undue	None	No
2024 MCC MTN009	2024-08-22 to 2024-08-23	2.28%	2,000,000	Undue	None	No
2024 MCC MTN010	2024-08-23 to 2024-08-26	2.50%	2,000,000	Undue	None	No
2024 MCC MTN011	2024-08-26 to 2024-08-27	2.38%	2,000,000	Undue	None	No
2024 MCC MTN012	2024-08-27 to 2024-08-28	2.31%	1,200,000	Undue	None	No
2025 MCC MTN001	2025-03-03 to 2025-03-04	2.30%	2,000,000	Undue	None	No
2025 MCC MTN002	2025-03-20 to 2025-03-21	2.31%	2,000,000	Undue	None	No
2025 MCC MTN003	2025-03-12 to 2025-03-13	2.37%	2,000,000	Undue	None	No
2025 MCC MTN004	2025-03-24 to 2025-03-25	2.27%	2,000,000	Undue	None	No
2025 MCC MTN005	2025-03-27	2.25%	2,000,000	Undue	None	No
2025 MCC MTN006	2025-04-23 to 2025-04-24	2.35%	1,200,000	Undue	None	No
2025 MCC MTN007	2025-04-27 to 2025-04-28	2.39%	2,000,000	Undue	None	No
2025 MCC MTN008	2025-05-22 to 2025-05-23	2.07%	2,000,000	Undue	None	No
2025 MCC MTN009	2025-05-26 to 2025-05-27	2.09%	2,000,000	Undue	None	No
2025 MCC MTN010	2025-06-09 to 2025-06-10	2.05%	800,000	Undue	None	No
2025 MCC MTN011	2025-09-17 to-2025-09-18	2.27%	2,000,000	Undue	None	No
2025 MCC MTN012	2025-09-19 to 2025-09-22	2.26%	2,000,000	Undue	None	No
2025 MCC MTN013	2025-10-22 to 2025-10-23	2.26%	1,300,000	Undue	None	No
2025 MCC MTN014	2025-11-25	2.48%	2,000,000	Undue	None	No
2025 MCC MTN015A	2025-11-26	2.25%	1,600,000	Undue	None	No
2025 MCC MTN015B	2025-11-26	2.50%	900,000	Undue	None	No
2025 MCC MTN016	2025-12-1	2.55%	2,000,000	Undue	None	No
Total	/	/	54,100,000	/	/	/

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

44. Other equity instruments (Continued)

As it is at the discretion of the Company to decide whether to redeem the above-mentioned medium-term notes or defer payments on the above-mentioned renewable corporate bonds and renewable financing instruments (hereinafter referred to as "renewable financing instruments"), the above-mentioned renewable financing instruments' perpetuity remains in effect. Unless otherwise dictated by a compulsory interest payment occurrence that is independently decided and consequently controlled by the Company, the Company can choose, at its own discretion, to defer the current interest payment and previous deferred interests and related yields to the next interest payment date without any limitation on the number of deferred interest payments, and the repayment order of such renewable financing instruments at the settlement is inferior to that of ordinary bonds and other debts issued by the Company. The Company believes that such renewable financing instruments do not meet the definition of financial liabilities and are accounted for as other equity instruments subsequent to deduction of related transaction costs from the total issue amount.

The Company's subsidiaries, China MCC5 Group Co., Ltd., China MCC17 Group Co., Ltd. and Shanghai Baoye Group Co., Ltd., issued perpetual bonds in 2025, with amounts of RMB1,500,000,000, RMB1,000,000,000 and RMB1,500,000,000 respectively. The amounts received after deducting relative transaction costs are recognised in other equity instruments and presented under the item of minority interests in the Group's consolidated financial statements. As at 30 June 2026, the balance of the above minority interests is RMB4,000,000,000.

45. Capital reserve

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)
Share premium	22,467,142	–	17,318	22,449,824
Other capital reserve	1,082,022	25,142	–	1,107,164
Total	23,549,164	25,142	17,318	23,556,988

46. Treasury stock

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)
Unrestricted shares				
Ordinary shares in RMB	–	259,442	–	259,442
Foreign-owned shares listed overseas	–	49,318	49,318	–
Total	–	308,760	49,318	259,442

NOTE: As described in Note VII, 43, during the period, the Company repurchased its shares through centralised auction. All the repurchased shares will be cancelled to reduce the registered capital of the Company. As at 30 June 2026, the Company has repurchased a total of 85,731,626 A shares, which have not yet been cancelled. The total amount of transaction consideration and related transaction costs amounts to RMB259,442,000.

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

47. Other comprehensive income

Accumulated balance of other comprehensive income attributable to shareholders of the Company in the consolidated balance sheet:

RMB'000

Item	31 December 2025	Attributable to shareholders of the Company, net of income tax	Less: Retained earnings transferred from other comprehensive income	30 June 2026 (unaudited)
Other comprehensive income that cannot be reclassified to profit or loss				
Changes in remeasurement of defined benefit plan	2,477	(58,881)	–	(56,404)
Changes in fair value of investments in other equity instruments	(58,358)	(50,172)	1,849	(110,379)
Other comprehensive losses that cannot be reclassified to profit or loss under the equity method	(38,797)	–	(38,797)	–
Subtotal	(94,678)	(109,053)	(36,948)	(166,783)
Other comprehensive income that will be reclassified to profit or loss				
Other comprehensive income/(loss) that can be reclassified to profit or loss under the equity method	57,094	(3,844)	–	53,250
Changes in fair value of receivables financing	(64,007)	9,548	–	(54,459)
Translation differences of financial statements denominated in foreign currencies	731,135	(61,790)	–	669,345
Subtotal	724,222	(56,086)	–	668,136
Total	629,544	(165,139)	(36,948)	501,353

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

47. Other comprehensive income (Continued)

Amount incurred in other comprehensive income:

For the six months ended 30 June 2026 (unaudited):

RMB'000

Item	Pre-tax amount incurred in the period	Less: Income tax expenses	Attributable to shareholders of the Company, net of income tax	Attributable to minority shareholders, net of income tax
Other comprehensive income that cannot be reclassified to profit or loss				
Changes in remeasurement of defined benefit plan	(63,710)	(43)	(58,881)	(4,786)
Changes in fair value of investments in other equity instruments	(58,739)	(7,242)	(50,172)	(1,325)
Subtotal	(122,449)	(7,285)	(109,053)	(6,111)
Other comprehensive income that will be reclassified to profit or loss				
Other comprehensive loss that can be reclassified to profit or loss under the equity method	(4,749)	–	(3,844)	(905)
Changes in fair value of receivables financing	12,230	3,260	9,548	(578)
Translation differences of financial statements denominated in foreign currencies	(106,836)	–	(61,790)	(45,046)
Subtotal	(99,355)	3,260	(56,086)	(46,529)
Total	(221,804)	(4,025)	(165,139)	(52,640)

48. Special reserve

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)
Production safety expenses	1,688,552	3,733,924	3,363,106	2,059,370
Total	1,688,552	3,733,924	3,363,106	2,059,370

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

49. Surplus reserve

RMB'000

Item	31 December 2025	Increase for the period	Decrease for the period	30 June 2026 (unaudited)
Statutory surplus reserve	3,782,468	–	–	**3,782,468**
Total	3,782,468	–	–	**3,782,468**

In accordance with the Company Law of the People's Republic of China and the Company's Articles of Association, the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the share capital upon approval.

50. Retained profits

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Retained profits at the end of the prior year	**51,289,390**	52,700,255
Retained profits at the beginning of the period	**51,289,390**	52,700,255
Add: Net profit attributable to shareholders of the Company	**2,326,127**	3,099,278
Retained earnings transferred from other comprehensive income	**(36,948)**	770
Less: Distribution of dividends on ordinary shares (a)	**–**	1,160,523
Distribution of interest on perpetual bonds classified as equity instrument (b)	**1,331,129**	1,315,209
Retained profits at the end of the period	**52,247,440**	53,324,571

As at 30 June 2026, retained profits of the Group included surplus reserve of subsidiaries attributable to shareholders of the Company amounting to RMB18,880,126,000 (as at 31 December 2025: RMB18,880,126,000).

(a) In accordance with the resolution on the 2025 profit distribution at the 2025 annual general meeting of shareholders on 29 June 2026, and given that the cumulative retained profits on the parent company's financial statements as of the end of 2025 were negative, the Company does not meet the conditions for a cash dividend distribution under the provisions of the Company Law and the Articles of Association. Therefore, the Company intends not to distribute profits for 2025.

(b) For the six months ended 30 June 2026, the Company distributed interest on perpetual bonds amounting to RMB1,331,129,000 (For the six months ended 30 June 2025: RMB1,315,209,000). As at 30 June 2026, retained profits included no interest belonging to the perpetual bond holders (as at 31 December 2025: Nil).

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

51. Operating income and operating costs

(1) Operating income and operating costs

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)		For the six months ended 30 June 2025 (unaudited)	
	Revenue	Cost	Revenue	Cost
Principal operating activities	175,314,717	158,282,941	236,829,648	213,021,492
Other operating activities	591,845	381,416	703,064	542,443
Total	175,906,562	158,664,357	237,532,712	213,563,935

(2) Breakdown of operating income

For the six months ended 30 June 2026 (unaudited)

RMB'000

Reporting segment	Core business	Main business	Featured business	Subtotal
Timing of transfer of goods				
At a point in time	5,337,741	7,127,203	9,156,667	21,621,611
Over time	32,025,290	111,668,375	10,316,160	154,009,825
Leases	52,085	205,319	17,722	275,126
Total	37,415,116	119,000,897	19,490,549	175,906,562

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

51. Operating income and operating costs (Continued)

(3) Breakdown of operating costs

For the six months ended 30 June 2026 (unaudited)

RMB'000

Reporting segment	Core business	Main business	Featured business	Subtotal
Timing of transfer of goods				
At a point in time	4,687,371	6,244,087	7,701,322	18,632,780
Over time	29,473,960	101,415,984	8,972,721	139,862,665
Leases	5,964	148,291	14,657	168,912
Total	34,167,295	107,808,362	16,688,700	158,664,357

(4) Information about the Group's performance obligations

	Timing of satisfaction of performance obligations	Important payment terms	Nature of the goods promised to be transferred	Whether it is the principal	Assumed amounts expected to be refunded to the customer	Types of warranties provided and related obligations
Project construction	Period of provision of project contracting services	Project fees	Construction services	Yes	No	Project warranty, assurance-type warranty
Survey and design services	Service period	Service progress acceptance payment	Design document	Yes	No	None
Sale of goods	Time of delivery	Payment on delivery, bank mortgage loans	Metallurgical equipment, metallic and non-metallic minerals, and commercial properties	Yes	No	Metallurgical equipment, commercial properties assurance-type warranty

The engineering contracting service provided by the Group generally constitutes a single performance obligation as a whole and is performed over time. As at 30 June 2026, some of the Group's engineering contracting service contracts are still in the process of performance, the transaction price allocated to the outstanding (or partially unperformed) performance obligations is related to the performance progress of each service contract, and will be recognised as revenue in the future performance period of each contract based on the performance progress.

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

51. Operating income and operating costs (Continued)

(5) Operating income from the top five largest customers of the Group

The total amount of operating income from the top five largest customers of the Group is RMB16,315,971,000 (for the six months ended 30 June 2025: RMB18,816,048,000), accounting for 9.28% of the total operating income of the Group (for the six months ended 30 June 2025:7.92%). The details are set out below:

RMB'000

Customer name	Operating income (unaudited)	Proportion to total operating income of the Group *(%)*
Party 1	9,663,775	5.49
Party 2	2,165,334	1.23
Party 3	1,551,108	0.88
Party 4	1,526,519	0.87
Party 5	1,409,235	0.81
Total	16,315,971	9.28

52. Taxes and levies

RMB'000

Item	**For the six months ended 30 June 2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
Stamp tax	**152,115**	138,240
Urban maintenance and construction tax	**150,121**	153,184
Property tax	**118,183**	162,824
Education surcharge	**112,009**	120,660
Land use tax	**53,971**	68,480
Land appreciation tax	**20,947**	24,157
Others	**88,729**	209,610
Total	**696,075**	877,155

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

53. Selling expenses

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Employee benefits	701,296	705,889
Travel expenses	117,336	128,307
Advertising and sales service expenses	86,910	221,624
Lease expenses	34,490	42,513
Office expenses	32,942	51,295
Consulting fee	20,778	23,566
Depreciation of fixed assets	3,907	5,027
Others	103,565	125,862
Total	1,101,224	1,304,083

54. Administrative expenses

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Employee benefits	3,379,601	3,718,083
Depreciation of fixed assets	216,501	264,499
Travel expenses	154,130	151,971
Professional service fees	121,960	139,372
Office expenses	117,996	130,070
Lease expenses	106,901	115,784
Amortisation of intangible assets	85,267	92,313
Depreciation of right-of-use assets	66,419	61,282
Maintenance fee	23,984	43,592
Others	509,216	615,756
Total	4,781,975	5,332,722

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

55. Research and development expenses

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Research and development material expenditure	2,451,856	4,116,474
Employee benefits	1,999,579	2,268,604
Depreciation of fixed assets and right-of-use assets	32,348	53,575
Amortisation of intangible assets	7,936	13,247
Others	212,182	283,070
Total	4,703,901	6,734,970

56. Financial expenses

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Interest expenses	1,341,256	2,158,279
Less: Capitalised interest expenses	222,009	723,249
Less: Interest income	1,275,151	937,172
Exchange losses	404,957	27,603
Bank charges	286,133	209,019
Interest expenses on lease liabilities	13,892	14,700
Others	80,282	4,620
Total	629,360	753,800

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

57. Other income

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Tax refunds	29,036	45,882
Research subsidies	42,387	89,835
Others	129,406	103,940
Total	200,829	239,657

58. Investment loss

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Investment income from disposal of held-for-trading financial assets	3,339	–
Investment income on disposal of long-term equity investments	–	2,210
Investment income from holding investments in other non-current financial assets	7,130	908
Investment income from holding investments in other equity instruments	1,057	15,313
Loss from long-term equity investments under equity method	(36,374)	(54,451)
Investment loss from disposal of receivables financing	(46,103)	(150,600)
Losses from derecognition of financial assets at amortised cost	(185,143)	(256,644)
Investment income/(loss) from debt restructuring	33,080	(10,443)
Others	(3,155)	7,950
Total	(226,169)	(445,757)

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

59. Gains/(Losses) on changes in fair value

RMB'000

Sources resulting in losses on changes in fair value:	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Gains/(Losses) on changes in fair value of derivative financial liabilities	25,560	(43,691)
Losses on changes in fair value of financial assets held for trading	(276)	(148)
Gains/(Losses) on changes in fair value of other non-current financial assets	399	(842)
Total	25,683	(44,681)

60. Impairment losses of credit

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Losses on credit impairment of notes receivable *(Note VII, 2(4))*	(18,047)	(4,405)
Losses on credit impairment of accounts receivable *(Note VII, 3(3))*	(951,669)	(1,660,181)
Reversal of/(Losses on) credit impairment of other receivables *(Note VII, 6(3) (d))*	89,868	(192,183)
Losses on credit impairment of long-term receivables *(Note VII, 11(2))*	(46,158)	(48,745)
Total	(926,006)	(1,905,514)

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

61. Impairment losses of assets

RMB'000

Item	**For the six months ended 30 June 2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
Losses on decline in value of inventories *(Note VII, 7(2))*	**(1,649)**	(672,766)
Losses on impairment of contract assets *(Note VII, 8(3))*	**(297,889)**	(979,946)
Losses on impairment of investment properties *(Note VII, 15)*	**(3,410)**	–
Losses on impairment of intangible assets *(Note VII, 19)*	**(192,452)**	(704)
Losses on impairment of other non-currents assets *(Note VII, 23)*	**(4,153)**	(43,678)
Reversal of/(Losses on) impairment of other current assets	**8,025**	(2,989)
Total	**(491,528)**	(1,700,083)

62. Gains on disposal of assets

RMB'000

Item	**For the six months ended 30 June 2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
Gains on disposal of fixed assets	**18,063**	43,113
Gains on disposal of intangible assets	**762**	130,078
Gains on disposal of other long-term assets	**1,052**	5,476
Total	**19,877**	178,667

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

63. Non-operating income

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)	Amount recognised in non-recurring profit or loss for the period (unaudited)
Income from penalty	11,560	11,740	11,560
Government grants	2,192	19,990	2,192
Unpayable balances	109,112	33,252	109,112
Others	48,754	62,478	48,754
Total	171,618	127,460	171,618

64. Non-operating expenses

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)	Amount recognised in non-recurring profit or loss for the period (unaudited)
Donation expenditure	21,405	15,009	21,405
Compensation and default payments	12,031	38,797	12,031
Litigation estimated liabilities	7,770	50,748	7,770
Fines and surcharges for overdue payments	3,163	24,799	3,163
Loss on damage and retirement of non-current assets	3,035	6,218	3,035
Others	37,137	1,076	37,137
Total	84,541	136,647	84,541

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

65. Income tax expenses

(1) Classification of income tax expenses

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Current tax expenses	**1,169,836**	1,478,505
Deferred tax expenses	**(227,615)**	(272,348)
Total	**942,221**	1,206,157

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

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Total profit	**4,019,433**	5,279,149
Income tax expenses calculated at 25%	**1,004,858**	1,319,787
Effect of difference between applicable tax rate and statutory tax rate	**(287,110)**	(667,950)
Effect of non-taxable income	**(6,255)**	(36,706)
Effect of non-deductible costs, expenses and losses	**88,507**	133,715
Effect of utilising deductible temporary differences or deductible loss not recognised for deferred tax assets for prior period	**(96,613)**	(102,362)
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognised for the period	**311,989**	1,158,220
Weighted deduction for R&D expenses and others	**(73,155)**	(598,547)
Income tax expenses	**942,221**	1,206,157

Most of the companies now comprising the Group are subject to PRC enterprise income tax, which have been provided based on the statutory income tax rate of 25% on the assessable income during the current period as determined in accordance with the relevant PRC income tax rules and regulations except for certain subsidiaries which were exempted from tax or taxed at preferential rate.

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

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

66. Earnings per share

(1) Net profit for the period attributable to ordinary shareholders used in calculation of basic earnings per share

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Net profit for the period attributable to shareholders of the Company	2,326,127	3,099,278
Including: Net profit from continuing operations attributable to shareholders of the Company	2,326,127	4,388,171
Net loss from discontinued operations attributable to shareholders of the Company	–	(1,288,893)
Less: Net profit attributable to holders of perpetual bonds	(1,331,129)	(1,315,209)
Net profit for the period attributable to ordinary shareholders	994,998	1,784,069

(2) Weighted average number of outstanding ordinary shares used in calculation of basic earnings per share

Item	For the six months ended 30 June 2026 (unaudited) *'000 shares*	For the six months ended 30 June 2025 (unaudited) *'000 shares*
Number of ordinary shares outstanding at the beginning of the period	20,723,619	20,723,619
Add: Weighted average number of ordinary shares issued during the period	–	–
Less: Weighted average number of ordinary shares repurchased during the period	(69,450)	–
Number of ordinary shares outstanding at the end of the period	20,654,169	20,723,619

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

66. Earnings per share (Continued)

(3) Earnings per share

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Calculated based on net profit attributable to ordinary shareholders:		
Basic earnings per share	RMB0.05/share	RMB0.09/share
Diluted earnings per share	RMB0.05/share	RMB0.09/share
Calculated based on net profit from continuing operations attributable to ordinary shareholders:		
Basic earnings per share	RMB0.05/share	RMB0.15/share
Diluted earnings per share	RMB0.05/share	RMB0.15/share
Calculated based on net loss from discontinued operations attributable to ordinary shareholders:		
Basic earnings per share	N/A	RMB (0.06)/share
Diluted earnings per share	N/A	RMB (0.06)/share

For the six months ended 30 June 2026, the Company has no dilutive potential ordinary shares (For the six months ended 30 June 2025: the Company had no dilutive potential ordinary shares). Therefore, the diluted earnings per share equals the basic earnings per share.

67. Items in the cash flow statement

(1) Cash relating to operating activities

Other cash receipts relating to operating activities

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Receipts of deposits, guarantees and current accounts	5,801,561	5,342,277
Interest income	1,167,816	781,122
Government grants	204,083	192,971
Others	201,161	76,146
Total	7,374,621	6,392,516

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

67. Items in the cash flow statement (Continued)

(1) Cash relating to operating activities(Continued)

Other cash payments relating to operating activities

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Research and development expenditure	2,663,176	4,398,263
Changes in restricted monetary funds	607,234	1,657,739
Travel expenses	271,466	280,278
Professional service fee	142,739	162,938
Short-term leases expenses	141,391	158,297
Office expenses	287,217	158,418
Advertising and sales service expenses	92,841	221,624
Advances to customers and others	1,396,827	2,023,558
Total	5,602,891	9,061,115

(2) Cash relating to investing activities

Net cash receipts from disposals of subsidiaries and other business units

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Net cash receipts from disposals of subsidiaries	26,042,923	150,797
Total	26,042,923	150,797

NOTE: In 2025, the Company signed an equity transfer agreement with CMC and Minmetals Land Group Co., Ltd. (formerly Minmetals Land Holdings Co., Ltd., short for "**Minmetals Land Group**") to transfer the Company's 100% equity interest and related creditor's right in MCC Real Estate Group Co., Ltd. ("**MCC Real Estate**"), 100% equity interest in China Non-ferrous Engineering Co., Ltd. ("**Non-ferrous Engineering**"), 100% equity interest in MCC Tongsin Resources Ltd. ("**MCC Tongsin**"), and 100% equity interest in Ramu NiCo Management (MCC) Ltd. ("**Ramu Management**"), as well as 67.02% equity interest in MCC-JJJ Mining Development Co., Ltd. ("**MCC-JJJ**").

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

67. Items in the cash flow statement (Continued)

(2) Cash relating to investing activities (Continued)

Net cash receipts from disposals of subsidiaries and other business units (Continued)

NOTE: (Continued)

As at 31 December 2025, according to the equity transfer agreement, the Company had uncovered proceeds of RMB26,041,658,000 because the preconditions were not satisfied for the payment of remaining price of certain underlying assets. During the reporting period, the proceeds related to the above transfer of equity and creditor's right were fully recovered.

Other cash receipts relating to investing activities

RMB'000

Item	**For the six months ended 30 June 2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
Recovery of loans to related parties	**–**	2,182,657
Interest income from loans	**107,335**	156,050
Total	**107,335**	2,338,707

Other cash payments relating to investing activities

RMB'000

Item	**For the six months ended 30 June 2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
Expenses from delivery of derivative financial instruments	**623,172**	86,295
Total	**623,172**	86,295

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

67. Items in the cash flow statement (Continued)

(3) Cash relating to financing activities

Other cash receipts relating to financing activities

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Loans and others	75,458	141,325
Total	75,458	141,325

Other cash payments relating to financing activities

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Redemption of perpetual medium-term notes and perpetual bonds	–	18,000,000
Repayment of loans and interest	7,595,764	1,283,737
Repurchase of treasury stock	308,760	–
Payment of lease liabilities	136,823	73,656
Total	8,041,347	19,357,393

For the six months ended 30 June 2026, the Group's total cash outflows relating to leases amounted to RMB603,655,000 (for the six months ended 30 June 2025: RMB659,321,000). Except for the amounts paid for the repayment of lease liabilities classified as financing activities, all other cash outflows were included in operating activities.

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

67. Items in the cash flow statement (Continued)

(3) Cash relating to financing activities (Continued)

Movements in liabilities arising from financing activities

RMB'000

Item	Opening balance	Increase for the period Cash movement	Increase for the period Non-cash movement	Decrease for the period Cash movement	Decrease for the period Non-cash movement	Closing balance (unaudited)
Short-term borrowings	22,127,213	21,016,682	556,036	23,223,487	–	20,476,444
Long-term borrowings (including those due within one year)	55,237,884	12,158,327	1,319,565	10,805,832	951,999	56,957,945
Bonds payable (including those due within one year)	2,048,833	–	29,300	58,600	–	2,019,533
Lease liabilities (including those due within one year)	602,091	–	88,735	136,823	–	554,003
Dividends payable	992,051	–	2,205,455	687,684	–	2,509,822
Interest payable	34,190	–	768,417	763,949	–	38,658
Borrowing funds and others	3,067,260	75,458	5,985,003	7,595,764	–	1,531,957
Total	84,109,522	33,250,467	10,952,511	43,272,139	951,999	84,088,362

(4) Cash flows presented on a net basis

Item	Relevant facts and circumstances	Basis for presentation on a net basis
Deposits and guarantees	Deposits and guarantees paid to or recovered from customers for project contracting services, and deposits and guarantees received from or returned to suppliers are presented on a net basis	The Group operates many engineering contracting projects; Deposits and guarantees are of quick turnover and short terms

(5) Significant activities not involving cash receipts and payments during the period

Activities and their financial effects that do not involve cash receipts or payments during the period, but affect the financial position of the enterprise or may affect its cash flows in the future:

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Decrease/(increase) in right-of-use assets	34,740	(62,217)

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

68. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Reconciliation of net profit to cash flows from operating activities		
Net profit	3,077,212	4,072,992
Add: Impairment losses of assets and credit	1,417,534	3,605,597
Depreciation of fixed assets and right-of-use assets, and depreciation and amortisation of investment properties	1,002,781	1,538,388
Amortisation of intangible assets	523,515	616,030
Amortisation of long-term prepaid expenses	43,188	42,975
Gains on disposal of fixed assets, intangible assets and other long-term assets	(19,877)	(178,667)
Net losses on retirement of fixed assets	1,820	805
(Gains)/Losses on changes in fair value	(25,683)	44,681
Financial expenses	1,430,761	1,321,283
Investment loss	28,003	38,513
Increase in deferred tax assets	(226,931)	(253,281)
Decrease in deferred tax liabilities	(684)	(19,067)
(Increase)/Decrease in inventories	(568,271)	2,802,414
Increase in contract assets	(9,363,003)	(38,829,551)
Decrease in contract liabilities	(6,781,986)	(3,668,220)
Decrease/(Increase) in operating receivables	7,321,427	(15,218,303)
(Decrease)/Increase in operating payables	(20,660,763)	22,098,433
Net cash flow used in operating activities	(22,800,957)	(21,984,978)
Net changes in cash and cash equivalents		
Closing balance of cash and cash equivalents	59,195,620	45,346,981
Less: Opening balance of cash and cash equivalents	69,486,260	43,190,604
Net (decrease)/increase in cash and cash equivalents	(10,290,640)	2,156,377

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

68. Supplementary information to the cash flow statement (Continued)

(2) Composition of cash and cash equivalents

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Cash	**59,195,620**	69,486,260
Including: Cash on hand	**3,184**	2,971
Bank deposits that are readily available for payment	**59,192,436**	69,483,289
Closing balance of cash and cash equivalents	**59,195,620**	69,486,260

(3) Circumstances where use is restricted but still presented as cash and cash equivalents

RMB'000

	30 June 2026 (unaudited)	31 December 2025	Reason
Special account funds for project agreement	**20,983,544**	21,735,924	Project-specific, with no substantive restrictions on withdrawal for use on this project
Special account funds for wage payment of migrant workers	**10,181,743**	10,536,366	Dedicated to the payment of migrant workers' wages, which can be paid at any time without substantial restrictions
Others	**4,351,733**	4,222,195	Special funds for exclusive use, without substantial restrictions during use
Total	**35,517,020**	36,494,485	

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

68. Supplementary information to the cash flow statement (Continued)

(4) Cash and bank balances not classified as cash and cash equivalents

RMB'000

	30 June 2026 (unaudited)	31 December 2025	Reason
Frozen funds	6,079,588	5,980,404	Frozen, unable to withdraw at any time
Guarantees	1,799,185	1,421,742	Illiquid, unable to withdraw at any time
Other funds with restricted ownership or usage rights	1,007,084	876,477	Unable to withdraw at any time
Total	8,885,857	8,278,623	

69. Items denominated in foreign currencies

RMB'000

Item	Foreign currency at 30 June 2026 (unaudited)	Exchange rate	RMB at 30 June 2026 (unaudited)
Cash and bank balances			5,175,079
Including: USD	372,664	6.8109	2,538,178
EUR	9,164	7.7671	71,181
AUD	46,320	4.6804	216,797
SGD	8,818	5.2605	46,387
IDR	1,373,808,399	0.0004	523,421
MYR	47,806	1.6734	79,998
KWD	8,348	22.1205	184,653
LKR	42,599,163	0.0203	864,763
SAR	192,014	1.8104	347,622
Other currencies	/	/	302,079

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

69. Items denominated in foreign currencies (Continued)

RMB'000

Item	Foreign currency at 30 June 2026 (unaudited)	Exchange rate	RMB at 30 June 2026 (unaudited)
Accounts receivable			1,602,003
Including: USD	77,973	6.8109	531,068
SGD	35,441	5.2605	186,435
IDR	1,041,577,428	0.0004	396,841
MYR	43,126	1.6734	72,167
KWD	4,818	22.1205	106,571
SAR	75,771	1.8104	137,176
TJS	115,553	0.7349	84,920
Other currencies	/	/	86,825
Other receivables			330,900
Including: USD	264	6.8109	1,800
HKD	267	0.8686	232
SGD	12,210	5.2605	64,230
IDR	58,175,853	0.0004	22,165
MYR	1,033	1.6734	1,729
KWD	4,781	22.1205	105,766
SAR	22,736	1.8104	41,162
Other currencies	/	/	93,816
Accounts payable			2,446,666
Including: USD	34,103	6.8109	232,274
EUR	831	7.7671	6,454
AUD	565	4.6804	2,645
SGD	100,911	5.2605	530,841
IDR	1,544,979,003	0.0004	588,637
MYR	108,632	1.6734	181,784
KWD	22,136	22.1205	489,657
SAR	89,949	1.8104	162,844
Other currencies	/	/	251,530

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

69. Items denominated in foreign currencies (Continued)

RMB'000

Item	Foreign currency at 30 June 2026 (unaudited)	Exchange rate	RMB at 30 June 2026 (unaudited)
Other payables			319,171
Including: USD	3,200	6.8109	21,798
HKD	1,131	0.8686	982
SGD	1,373	5.2605	7,225
IDR	248,475,066	0.0004	94,669
MYR	1,484	1.6734	2,483
KWD	1,076	22.1205	23,798
SAR	28,078	1.8104	50,832
TJS	128,990	0.7349	94,795
Other currencies	/	/	22,589

Note: The Group's business is primarily operated in Chinese mainland. The Group's overseas markets span multiple countries and regions, and its overseas operating entities determine their functional currencies based on the currencies of the primary economic environments in which they operate. The Group has no individually significant overseas operating entity. The aforementioned items denominated in foreign currency are determined separately by the Company, its subsidiaries, and overseas operating entities based on their respective functional currencies.

VIII. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combinations not involving enterprises under common control

(1) Business combinations not involving enterprises under common control occurred in the period

During the reporting period, the Group obtained control over the following companies by paying non-cash consideration of RMB69,081,000. Such companies were included in the Group's consolidation scope as of the date control was obtained.

Name of acquiree	Equity acquisition proportion *(%)*	Equity acquisition method	Acquisition date	Determination basis of acquisition date
Nanjing Pukou Xingbao Construction Development Co., Ltd.	100.00	Acquisition	1 January 2026	Actual acquisition of control over the acquiree
MCC LAND(CANBERRA) PTE. LTD.	51.00	Acquisition	12 March 2026	Actual acquisition of control over the acquiree
MCC LAND(TMK) PTE. LTD.	51.00	Acquisition	12 March 2026	Actual acquisition of control over the acquiree

VIII. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations not involving enterprises under common control (Continued)

(2) *Cost of combination and goodwill*

RMB'000

Cost of combination	Amount (unaudited)
– Fair value of previously held equity interest at the acquisition date	69,081
Total cost of combination	69,081
Less: Share of fair value of identifiable net assets acquired	69,081
Amount of cost of combination less than share of fair value of identifiable net assets acquired	–

(3) *The acquiree's identifiable assets and liabilities at the acquisition date*

Fair value and carrying amount of the acquiree's identifiable assets and liabilities at the acquisition date are as follows(unaudited):

RMB'000

Item	Fair value at the acquisition date	Carrying amount at the acquisition date
Cash and bank balances	82,175	82,175
Accounts receivables	48	48
Other receivables	6	6
Inventories	330	330
Contract assets	2,708,427	2,708,427
Deferred tax assets	7	7
Other non-current assets	90,481	90,481
Total assets	2,881,474	2,881,474
Short-term borrowings	526,050	526,050
Accounts payable	135,564	135,564
Receipts in advance	43,162	43,162
Contract liabilities	1,746,640	1,746,640
Taxes payable	49,509	49,509
Other payables	260,402	260,402
Long-term payables	28,274	28,274
Deferred tax liabilities	1,620	1,620
Total liabilities	2,791,221	2,791,221
Net assets	90,253	90,253
Less: Minority interests	21,172	21,172
Net assets acquired	69,081	69,081

VIII. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations not involving enterprises under common control (Continued)

(3) The acquiree's identifiable assets and liabilities at the acquisition date (Continued)

Operating results and cash flows of the acquiree from the acquisition date to the end of the period are set out as follows:

RMB'000

Item	For the period from the acquisition date to 30 June 2026 (unaudited)
Operating income	3,134,267
Net profit	194,095
Net cash flow	555,508

Net cash receipts from acquisition of the subsidiary:

RMB'000

Item	Amount (unaudited)
Cash and cash equivalents acquired from acquisition of the subsidiary	82,175
Less: Cash and cash equivalents paid for acquisition of the subsidiary	–
Net cash receipts from acquisition of the subsidiary	82,175

2. Disposal of subsidiaries

During the reporting period, the Group did not dispose of any subsidiaries.

IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Details of secondary subsidiaries of the Group:

RMB'000

Name of subsidiary	Principal place of operation	Place of registration	Nature of business	Registered capital	Shareholding ratio (%) Direct	Indirect	Acquisition method
Central Research Institute of Building and Construction Co., Ltd.	China	Beijing	EPC	2,905,110	100.00	–	Invested by shareholders
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	China	Beijing	EPC	761,816	100.00	–	Invested by shareholders
MCC Capital Engineering & Research Incorporation Limited	China	Beijing	EPC	3,283,104	88.89	–	Invested by shareholders
CISDI Group Co., Ltd.	China	Chongqing	EPC	2,800,000	100.00	–	Invested by shareholders
WISDRI Engineering & Research Incorporation Limited	China	Wuhan	EPC	3,350,000	83.08	–	Invested by shareholders
Huatian Engineering & Technology Corporation, MCC	China	Ma'anshan	EPC	823,259	85.10	–	Invested by shareholders
ACRE Coking & Refractory Engineering Consulting Corporation, MCC	China	Anshan	EPC	1,296,600	87.81	–	Invested by shareholders
Zhong Ye Chang Tian International Engineering Co., Ltd.	China	Changsha	EPC	677,301	92.61	–	Invested by shareholders
Northern Engineering & Technology Corporation, MCC	China	Anshan	EPC	528,511	91.26	–	Invested by shareholders
Shen Kan Engineering & Technology Corporation, MCC	China	Shenyang	Investigation, design	346,264	100.00	–	Invested by shareholders
Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC	China	Wuhan	Investigation, design	1,000,000	100.00	–	Invested by shareholders
China First Metallurgical Group Co., Ltd.	China	Wuhan	Engineering contracting	2,417,727	82.06	–	Invested by shareholders
China Second Metallurgical Group Co., Ltd.	China	Baotou	Engineering contracting	2,304,961	83.66	–	Invested by shareholders
China MCC3 Group Co., Ltd.	China	Anshan	Engineering contracting	1,500,000	100.00	–	Invested by shareholders
China MCC5 Group Corp. Ltd.	China	Chengdu	Engineering contracting	5,384,134	92.67	–	Invested by shareholders
MCC TianGong Group Corporation Limited	China	Tianjin	Engineering contracting	3,871,000	98.53	–	Invested by shareholders
China MCC17 Group Co., Ltd.	China	Ma'anshan	Engineering contracting	2,050,000	72.39	–	Invested by shareholders
China Metallurgical Construction Engineering Group Co., Ltd.	China	Chongqing	Engineering contracting	2,449,054	85.75	–	Invested by shareholders

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Details of secondary subsidiaries of the Group: (Continued)

RMB'000

Name of subsidiary	Principal place of operation	Place of registration	Nature of business	Registered capital	Shareholding ratio (%) Direct	Shareholding ratio (%) Indirect	Acquisition method
China MCC19 Group Co., Ltd.	China	Panzhihua	Engineering contracting	3,910,999	78.55	–	Invested by shareholders
China MCC20 Group Co., Ltd.	China	Shanghai	Engineering contracting	2,050,000	71.91	–	Invested by shareholders
China MCC22 Group Co., Ltd.	China	Tangshan	Engineering contracting	3,393,281	81.93	–	Invested by shareholders
Shanghai Baoye Group Corp. Ltd.	China	Shanghai	Engineering contracting	5,777,850	89.58	0.73	Invested by shareholders
China Huaye Group Co., Ltd.	China	Beijing	Engineering contracting	1,821,652	78.77	–	Invested by shareholders
MCC Baosteel Technology Services Co., Ltd.	China	Shanghai	Repair work	1,200,000	59.65	20.07	Invested by shareholders
MCC Communication Construction Group China Co., Ltd.	China	Beijing	Infrastructure contractor	9,312,258	100.00	–	Invested by shareholders
MCC Road&Bridge Construction Co., Ltd.	China	Inner Mongolia	Engineering contracting	3,000,000	100.00	–	Investment establishment
MCC Zhongyuan Construction Investment China Co., Ltd.	China	Zhengzhou	Engineering contracting	500,000	100.00	–	Investment establishment
MCC Integrated Pipe Network Technology & Development Co., Ltd.	China	Baoding	Project contracting, integrated pipe network technology development	200,000	100.00	–	Investment establishment
MCC South China Construction Investment China Co., Ltd.	China	Shenzhen	Engineering contracting	500,000	51.00	–	Invested by shareholders
MCC (Hainan) Investment Development Co., Ltd.	China	Hainan	Engineering consulting, investment management	100,000	60.00	39.30	Investment establishment
MCC Urban Investment Holding Co., Ltd.	China	Guangdong	Engineering consulting, investment management	1,000,000	60.00	–	Investment establishment
MCC (Shanghai) Steel Structure Technology China Co., Ltd.	China	Shanghai	Installation of steel structure and engineering general contracting	1,000,000	42.56	50.77	Invested by shareholders
MCC Ecological Environmental Protection China Group Co., Ltd.	China	Beijing	Water resource management	3,000,000	29.42	64.36	Investment establishment
MCC Great Wall Investment Co., Ltd.	China	Beijing	Investment management	15,000,000	100.00	–	Investment establishment
MCC Australia Holding Pty Ltd.	Australia	Australia	Resource development	49,016	100.00	–	Invested by shareholders
MCC International Incorporation Ltd.	China	Beijing	Engineering contracting	100,000	100.00	–	Invested by shareholders
MCC Overseas Ltd.	China	Beijing	Engineering contracting	429,126	100.00	–	Invested by shareholders
MCC Vietnam Engineering Technology Co., Ltd.	Vietnam	Vietnam	Engineering contracting	–	100.00	–	Investment establishment

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Details of secondary subsidiaries of the Group: (Continued)

RMB'000

Name of subsidiary	Principal place of operation	Place of registration	Nature of business	Registered capital	Shareholding ratio (%) Direct	Shareholding ratio (%) Indirect	Acquisition method
China MCC International Economic and Trade Co., Ltd.	China	Shanghai	Trading	120,000	54.58	40.64	Invested by shareholders
MCC Holding (Hong Kong) Corporation Limited	China	Hong Kong, China	Others	6,485	100.00	–	Investment establishment
MCC-SFRE Heavy Industry Equipment Co., Ltd.	China	Xi'an	Manufacture of metallurgy equipment	1,286,000	71.47	–	Invested by shareholders
Western Australia	Australia	Australia	Resource development	124,382	100.00	–	Invested by shareholders
China 13th Metallurgical Construction Corporation	China	Taiyuan	Engineering contracting	111,663	100.00	–	Invested by shareholders

(a) The grounds for controlling the investees of which the Group is holding half or less than half of the equity interest, and the grounds for not controlling the investees of which the Group is holding more than half of the equity interest

(i) The grounds for controlling the investees of which the Group is holding half or less than half of the equity interest

The Group has several investees in which it holds half or less than half of equity interest, and these investees are incorporated in the scope of consolidation of the Group, mainly in accordance with shareholder agreements, the rules of procedures for the articles of association of investees or agreements of shareholding entrustment and other arrangements, the Group has the control over these investees.

(ii) The grounds for not controlling the investees of which the Group is holding more than half of the equity interest

The Group has several investees in which it holds more than half of equity interest. As there is a consistent action arrangement between the Group and another shareholder, and that shareholder has one vote with the veto rights for the investees' related activities or can determine independently the investees' related activities, the Group has no control over the investees, but it has the joint control or can exercise significant influence over the investees, therefore the investees are accounted for and managed as joint ventures or associates.

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Subsidiaries with material minority interests

30 June 2026 (unaudited):

RMB'000

Name of subsidiary	Proportion of equity interest held by minority interests *(%)*	Comprehensive income attributable to minority shareholders for the period	Declaration of cash dividends to minority interests for the period	Minority interests at the end of the period
China MCC17 Group Co., Ltd.	27.61	60,729	72,347	4,041,651
WISDRI Engineering & Research Incorporation Limited	16.92	74,828	32,992	2,804,764
China MCC5 Group Corp. Ltd.	7.33	44,072	75,269	3,014,996
Shanghai Baoye Group Corp. Ltd.	9.69	48,244	72,179	3,122,377
China First Metallurgical Group Co., Ltd.	17.94	42,184	80,062	1,692,598

As at 30 June 2026, the balance of perpetual bonds issued by the Company's subsidiaries totalled RMB4,000,000,000. The perpetual bonds are classified as equity instruments and presented as minority interests in the Group's consolidated financial statements. The above minority interests at the end of the period include the portion of the issued and outstanding perpetual bonds.

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Subsidiaries with material minority interests (Continued)

The following tables provide significant financial information of above subsidiaries. All amounts are before elimination among entities within the Group:

RMB'000

Name of subsidiary	30 June 2026(unaudited) Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	31 December 2025 Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China MCC17 Group Co., Ltd.	62,554,384	13,013,018	75,567,402	60,043,450	4,437,332	64,480,782	64,204,279	12,823,717	77,027,996	62,531,639	3,398,301	65,929,940
WISDRI Engineering & Research Incorporation Limited	24,909,377	4,499,740	29,409,117	18,550,699	191,280	18,741,979	23,902,402	4,395,731	28,298,133	17,412,458	290,773	17,703,231
China MCC5 Group Corp. Ltd.	77,021,701	17,538,776	94,560,477	75,631,951	467,781	76,099,732	75,588,180	17,955,283	93,543,463	74,297,235	519,620	74,816,855
Shanghai Baoye Group Corp. Ltd.	62,173,738	24,636,004	86,809,742	68,206,847	3,388,398	71,595,245	67,105,871	20,934,544	88,040,415	69,165,322	3,746,571	72,911,893
China First Metallurgical Group Co., Ltd.	45,776,809	16,649,840	62,426,649	49,674,905	3,091,332	52,766,237	48,669,472	15,073,417	63,742,889	51,505,515	2,556,766	54,062,281

RMB'000

Name of subsidiary	For the six months ended 30 June 2026(unaudited) Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	For the six months ended 30 June 2025(unaudited) Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
China MCC17 Group Co., Ltd.	9,492,898	219,171	218,930	(2,798,393)	15,250,744	425,717	424,722	(3,994,657)
WISDRI Engineering & Research Incorporation Limited	11,956,641	268,495	260,722	1,140,867	12,015,411	399,208	398,512	318,344
China MCC5 Group Corp. Ltd.	22,388,509	395,768	392,876	(681,838)	33,221,907	886,476	887,916	(792,603)
Shanghai Baoye Group Corp. Ltd.	20,219,078	415,122	386,615	(6,239,972)	26,349,387	472,847	480,178	(4,960,842)
China First Metallurgical Group Co., Ltd.	12,371,245	260,949	254,270	(2,349,680)	16,274,971	399,878	396,556	(2,135,393)

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates

(1) Details of the Group's material joint ventures and associates

Name of associate and joint venture	Principal place of operation	Place of registration	Nature of business	Shareholding ratio (%) Direct	Indirect	Accounting method
Guizhou Ziwang Highway Construction Co., Ltd.	China	Anshun	Highway investment and development	59.96	–	Equity method
Guizhou Sanli Highway Construction Co., Ltd.	China	Qiannan Buyei and Miao Autonomous Prefecture	Highway investment and development	59.90	–	Equity method
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	China	Mangshi	Highway investment and development	40.00	–	Equity method
Lanzhou Lianhuo Highway Qingzhong Section Construction and development Co., Ltd.	China	Lanzhou	Highway investment and development	17.00	–	Equity method
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	China	Changsha	Highway investment and development	16.50	–	Equity method
Chongqing Yunkai Expressway Co., Ltd.	China	Chongqing	Highway investment and development	30.00	–	Equity method
Guizhou Sanshi Highway Construction Co., Ltd.	China	Qiandongnan Miao and Dong Autonomous Prefecture	Highway investment and development	59.80	–	Equity method
Beijing City Vice-Center Investment Fund Partnership (Limited Partnership)	China	Beijing	Investment management	13.88	–	Equity method
Shiyan Baocheng Engineering Management Co., Ltd.	China	Shiyan	Infrastructure construction	47.50	–	Equity method
Tangshan Stainless Steel Co., Ltd.	China	Tangshan	Smelting and pressing of ferrous metals	23.89	–	Equity method
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	China	Zhuhai	Property investment and development	20.00	–	Equity method
Chongqing Yuxiang Double Track Expressway Co., Ltd.	China	Chongqing	Highway investment and development	4.99	–	Equity method
Hebei Steel Luan County Sijiaying Iron Ore Co., Ltd.	China	Tangshan	Processing of ferrous metal ores	14.45	–	Equity method
Xiongan Xiongshang Real Estate Co., Ltd.	China	Xiongan	Property investment and development	20.00	–	Equity method
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	China	Yingkou	Special steel production and equipment manufacturing	48.96	–	Equity method
MCC Baoding Development and Construction Co., Ltd.	China	Baoding	Civil-engineering construction	10.00	–	Equity method
Xiong'an Xiongshang Financial Island Development Co., Ltd.	China	Baoding	Property investment and development	19.00	–	Equity method
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	China	Liuzhou	Highway investment and development	25.00	–	Equity method
Sichuan Development MCC Construction Investment Co., Ltd.	China	Chengdu	Infrastructure construction	40.00	–	Equity method
Hunan Chachang Expressway Construction and Development Co., Ltd.	China	Changsha	Highway investment and development	9.00	–	Equity method

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(1) Details of the Group's material joint ventures and associates (Continued)

Name of associate and joint venture	Principal place of operation	Place of registration	Nature of business	Shareholding ratio (%) Direct	Indirect	Accounting method
Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	China	Wenshan Zhuang and Miao Autonomous Prefecture	Transportation infrastructural investment and construction and operation management	38.00	–	Equity method
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd.	China	Guangzhou	Property investment and development	15.00	–	Equity method
Gansu Gonghanglv Tongding Expressway Management Co., Ltd.	China	Dingxi	Highway investment and development	12.64	–	Equity method
Shanghai Baoyang Maoye Construction and Development Co., Ltd.	China	Shanghai	Property investment and development	19.50	–	Equity method
MCC International Investment Development Co., Ltd.	China	Zhuhai	Property investment and development	60.00	–	Equity method
Guangzhou Keling Investment and Development Co., Ltd.	China	Guangzhou	Property investment and development	32.86	–	Equity method
Honghe Luqiu Expressway Investment and Development Co., Ltd.	China	Honghe	Highway investment and development	10.00	–	Equity method
Gansu Jingli Expressway Longnan Management Co., Ltd.	China	Dingxi	Highway investment and development	18.33	–	Equity method
Zhongshan Xiangshan Avenue Comprehensive Pipe Gallery Technology Co., Ltd.	China	Zhongshan	Construction and operation of comprehensive pipe gallery	60.00	–	Equity method
Yinchuan Huaiyuan Road Integrated Pipe Network Construction and Management Co., Ltd.	China	Yinchuan	Construction and operation of comprehensive pipe gallery	70.00	–	Equity method
Ningguo Hechuang Yongning City Operation Management Co., Ltd.	China	Ningguo	Civil engineering construction	42.00	–	Equity method
Huanggang Lianlu Water Service Co., Ltd.	China	Huanggang	Water production and supply industry	47.00	–	Equity method

The Group has no significant interest in any single joint venture or associate above.

(a) The grounds for holding less than 20% of the equity interest in the investees but the Group has common control or significant influence over these investees, and the grounds for holding 20% or more of the equity interest in the investees over which the Group does not have significant influence

(i) The grounds for holding less than 20% of the equity interest in the investees but the Group has common control or significant influence over these investees

The Group has several investees in which it holds less than 20% of the equity interest but has joint control or significant influence over the investees. As the Group has a sustainable right to appoint directors to the board of the investees and has already appointed directors, the Group has joint control or can exercise significant influence over the investees, therefore the investees are accounted for and managed as joint ventures or associates.

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(1) Details of the Group's material joint ventures and associates (Continued)

(a) The grounds for holding less than 20% of the equity interest in the investees but the Group has common control or significant influence over these investees, and the grounds for holding 20% or more of the equity interest in the investees over which the Group does not have significant influence (Continued)

(ii) The grounds for holding 20% or more of the equity interest in the investees over which the Group does not have significant influence

The Group has several investees in which it holds more than 20% of the equity interest but has no joint control or significant influence over the investees. As the Group has no right to assign directors of the board of directors of the investees, and does not involve in or influence the financial and operating decisions or normal operating activities of the investees in any other forms, so these investees are not accounted for and managed as joint ventures or associates.

(2) Summarised financial information of material joint ventures and associates

RMB'000

Item	At 30 June 2026 (unaudited)/ For the six months ended 30 June 2026 (unaudited)	At 31 December 2025/For the six months ended 30 June 2025 (unaudited)
Joint ventures:		
Total carrying amount of investments	10,083,336	9,962,579
Total of the followings in proportion to shareholdings		
– Net profit	38,018	2,838
– Other comprehensive income	–	–
– Total comprehensive income	38,018	2,838
Associates:		
Total carrying amount of investments	31,239,687	30,768,926
Total of the followings in proportion to shareholdings		
– Net loss	(74,392)	(57,289)
– Other comprehensive loss	(4,749)	(2,689)
– Total comprehensive loss	(79,141)	(59,978)

(3) In the reporting period, there are no significant restrictions on the realisation of long-term equity investments, or on the remittance of cash arising from the investment income in joint ventures and associates.

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Equity in structured entities included in the consolidated financial statements

As at 30 June 2026, the total planned fundraising amount of main structured entities included in the consolidated financial statements of the Group was approximately RMB16,041,080,000, of which the amount subscribed by the Group was approximately RMB7,936,520,000. As at 30 June 2026, the amount paid by the Group was approximately RMB4,145,634,000, and the amount paid by other investors was approximately RMB376,858,000, which was accounted for in the long-term payables. The Group has no obligation or intention to provide financial support to these structured entities.

4. Equity in structured entities not included in the consolidated financial statements

As at 30 June 2026, the Group had cumulatively issued asset-backed securities and asset-backed notes of RMB30,283,200,000, and the subordinated tranches of the related asset-backed securities and asset-backed notes were RMB1,515,200,000. For the purpose of liquidity, the Group is obligated to make up the difference between the principal and fixed income of senior asset-backed securities and asset-backed notes in the amount of RMB28,768,000,000 and the distributable funds of the special asset-backed securities plan and asset-backed note trust in each phase. These special plans and trusts are not consolidated as the Group does not hold inferior shares and the probability of future liquidity supplement is assessed to be low.

As at 30 June 2026, the total amount of main structured entities not included in the consolidated financial statements participated by certain subsidiaries of the Group was approximately RMB41,647,065,000, of which approximately RMB4,929,847,000 was subscribed by the Group and approximately RMB36,717,218,000 was subscribed by other investors. Such structured entities were not consolidated as the Group does not have control over them. As at 30 June 2026, the Group's paid-in amount was approximately RMB3,613,304,000, of which approximately RMB203,120,000 was accounted for in long-term equity investments and approximately RMB3,410,184,000 was accounted for in other non-current financial assets. The Group's maximum exposure to these structured entities is the Group's carrying amount as of the balance sheet date. The Group has no obligation or intention to provide financial support to these structured entities.

X. GOVERNMENT GRANTS

At 30 June 2026, liabilities related to government grants are as follows:

RMB'000

Government grants	Opening balance	Addition for the period	Included in non-operating income for the period	Included in other income for the period	Other changes for the period	Closing balance (unaudited)	Related to assets/ income
Deferred income	738,430	102,337	260	33,599	24,476	782,432	Related to assets/ income

There were no material government grants refund for the period.

X. GOVERNMENT GRANTS (CONTINUED)

The government grants recognised in profit or loss for the period are as follows:

RMB'000

Item	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Government grants related to assets		
Recognised as other income	19,084	11,096
Recognised as non-operating income	7	–
Government grants related to income		
Recognised as other income	114,599	158,128
Recognised as non-operating income	2,185	19,990
Deduct operating cost	149	155
Deduct research and development expenditure	4,720	5,396
Deduct administrative expenses	19,337	22,819
Total	160,081	217,584

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Financial instruments and risk management

The Group's operating activities expose to a variety of financial risks: market risk (mainly including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management plan addresses the unpredictability of financial markets and seeks to reduce the potential negative impact on the operating results of the Group.

(1) Market risk

(a) Foreign exchange risk

The Group's principal operations are located in China, and its principal operating activities are settled in RMB. However, the Group's recognised foreign currency assets and liabilities, as well as future foreign currency transactions (primarily denominated in USD) are still exposed to foreign exchange risk. The treasury department of the headquarters of the Group is responsible for monitoring the scale of foreign currency transactions and foreign currency assets and liabilities to minimise the associated foreign exchange risk. The Group uses foreign exchange forward contracts and currency swap contracts to hedge a portion of the exchange rate risk. According to management's assessment, a reasonable fluctuation of the RMB against foreign currencies in the near term is not expected to have a significant impact on the Group's operating results.

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments and risk management (Continued)

(1) Market risk (Continued)

(a) Foreign exchange risk (Continued)

As at 30 June 2026, amounts of the Group's foreign currency financial assets and financial liabilities translated into RMB are set out in Note VII, 69.

As at 30 June 2026, for financial assets and financial liabilities denominated in foreign currencies, mainly influenced by the exchange rate of RMB against USD, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, the profit after tax of the Group would have been approximately RMB105,610,000 higher/lower (as at 31 December 2025: approximately RMB77,031,000 higher/lower).

(b) Interest rate risk

The Group's risk of changes in fair value of financial instruments due to changes in interest rates primarily arises from bank borrowings and bonds payable at fixed rate. The differences between the fair value and the carrying amount of the above fixed-rate financial instruments are set out in Note XII 2.

The Group's risk of changes in cash flow of financial instruments due to changes in interest rates primarily arises from bank borrowings at floating rate. The Group chooses the relative proportion of borrowing contracts with floating rates and those with fixed rates according to current market conditions.

As at 30 June 2026, short-term borrowings at floating rates of the Group amounted to RMB2,904,877,000 (as at 31 December 2025: RMB4,430,846,000); Short-term borrowings at fixed rates of the Group amounted to RMB17,571,567,000 (as at 31 December 2025: RMB17,696,367,000); long-term interest bearing debts at floating rates due within one year amounted to RMB3,992,067,000 (as at 31 December 2025: RMB6,266,714,000); long-term interest bearing debts at floating rates due over one year amounted to RMB31,117,926,000 (as at 31 December 2025: RMB29,624,600,000); long-term interest bearing debts at fixed rates due within one year amounted to RMB7,166,559,000 (as at 31 December 2025: RMB7,765,005,000); long-term interest bearing debts at fixed rates due over one year amounted to RMB17,254,929,000 (as at 31 December 2025: RMB14,232,489,000) (Note VII, 25, 33, 35, 36, 37).

The treasury department of the headquarters of the Group continually monitors the level of interest rates. Any rise in interest rate would increase the cost of new borrowings and interest instalments of existing loans with floating interest arrangements and generate significant negative financial effects on the Group's overall financial performance. The management would make timely strategic adjustments according to the latest market conditions; the adjustments of reducing interest rate risk may include the interest rate swap arrangement included in the Group's currency swap contracts during the reporting period.

During the reporting period, if the respective interest rates on RMB-denominated floating-rate borrowings had been 100 basis points higher/lower with all other variables held constant and no interest capitalisation involved, profit after income tax of the Group would have been RMB114,625,000 lower/higher (For the six months ended 30 June 2025: approximately RMB109,658,000).

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments and risk management (Continued)

(1) Market risk (Continued)

(b) Interest rate risk (Continued)

During the reporting period, if the interest rates on USD and other foreign currency-denominated floating-rate borrowings had been 100 basis points higher/lower with all other variables held constant, profit after income tax of the Group would have been RMB6,807,000 lower/higher (for the six months ended 30 June 2025: approximately RMB5,646,000).

(2) Credit risk

As at 30 June 2026, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from: the carrying amount of the respective recognised bank deposits, notes receivable and accounts receivable, receivables financing, other receivables and long-term receivables in the balance sheet of the Group.

To reduce credit risk, the Group assesses the credit qualification of customers and sets the corresponding credit period based on their financial position, the possibility of obtaining guarantee from the third party, credit records and other factors, such as the prevailing market conditions. The Group regularly monitors customers' credit records. For customers with bad credit records, the Group will send written reminders, shorten the credit period or cancel the credit period to ensure that the Group's overall credit risk is under control.

The credit risk on the bank deposits of the Group are limited because they are deposited with national banks and other large and medium listing banks.

In addition, external guarantees incurred by the Group may also result in financial losses. As at 30 June 2026, the Group's external guarantees are set out in Note XIV, 2.(1) (b).

In addition to separately determining the credit loss of individual amounts, the Group evaluates the expected credit loss of accounts receivable by using an impairment matrix on a portfolio basis. The Group's accounts receivable involve a large number of customers, and the aging information can reflect the solvency of these customers. The Group divided accounts receivable into several portfolios based on the credit risk characteristics of different types of customers, calculated the historical actual loss rate of every portfolio in different ages according to the historical data, and then adjusted the expected credit loss rate after considering the current and future economic forecast, such as national GDP growth, consumer price index and other forward-looking information. For contract assets and long-term receivables, the Group reasonably evaluates the expected credit loss after considering the settlement period, the payment period of the contract, the financial position and the economic situation of the debtor and considering the above forward- looking information. For other financial assets, the Group calculates the expected credit loss rate through its default exposure and the rate of expected credit loss over the next 12 months or for the entire duration.

Please refer to Note V, 11.2 in respect of the specific methods to assess whether the credit risk has been increased remarkably since initial recognition, the basis to determine whether a credit impairment has happened to the financial assets, the combination methods to divide the financial instruments in a combination as base assessment of anticipated credit risk, and the policies to write down the financial instruments directly.

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments and risk management (Continued)

(3) Liquidity risk

Subsidiaries of the Group take responsibility of their own cash flow forecast. On the basis of summarising cash flow forecasts from subsidiaries, the treasury department at the headquarters continuously monitors both short-term and long-term financing needs on the Group level in order to obtain adequate cash reserve and quoted securities. Meanwhile, the treasury department will constantly monitor any non-compliance of borrowings and obtain sufficient loan facilities from major financial institutions to meet both short-term and long-term financing needs.

Accounts payable related to supplier financing arrangements must be paid to a bank or supply chain platform rather than individual suppliers. This has resulted in the Group's small and unsettled amounts with multiple suppliers being converted into large unsettled amounts with a bank or supply chain platform. However, the payment terms for accounts payable covered by supplier financing arrangements do not extend beyond one year, and some of these terms are the same as those for other accounts payable. Given that the payment terms have not been significantly extended, the Group does not consider supplier financing arrangements to result in an excessive concentration of liquidity risk. The Group's exposure to liquidity risk from financial institutions through supplier financing arrangements. As at 30 June 2026, the Group's future payment obligations to this financial institution accounted for 6.53% of the total liabilities, with repayment due dates ranging from 1 July 2026 to 29 June 2027.

As at 30 June 2026, the financial liabilities and lease liabilities of the Group were analysed by their maturity dates below at their undiscounted contractual cash flows(unaudited):

RMB'000

Item	Due on demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities						
Short-term borrowings	–	20,764,516	–	–	–	20,764,516
Notes payable	–	26,470,793	–	–	–	26,470,793
Accounts payable	–	376,271,683	–	–	–	376,271,683
Other payables	–	46,134,514	–	–	–	46,134,514
Long-term borrowings	–	12,542,183	11,856,132	17,999,277	29,490,007	71,887,599
Bonds payable	–	58,600	58,600	175,800	2,156,052	2,449,052
Lease liabilities	–	188,923	134,390	193,190	101,350	617,853
Long-term payables	–	208,667	250,608	194,407	464,722	1,118,404
Financial guarantee *(Note XIV, 2.(1)(b))*	742,627	–	–	–	–	742,627
Total	742,627	482,639,879	12,299,730	18,562,674	32,212,131	546,457,041

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

At 30 June 2026, the carrying amount of bank acceptances and commercial acceptances endorsed and discounted by the Group was RMB2,019,755,000 (as at 31 December 2025: RMB3,005,479,000). In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include default risks relating to such endorsed and discounted acceptances, and accordingly, it continued to recognise the full carrying amounts of the endorsed and discounted acceptances, the associated accounts payable settled, or bank borrowings. Subsequent to the endorsement or discount, the Group did not retain any rights on the use of the endorsed and discounted acceptances, including the sale, transfer or pledge of them to any other third parties. As at 30 June 2026, the aggregate carrying amount of the accounts payable settled by the endorsed and discounted acceptances or bank borrowings obtained to which the suppliers have recourse was RMB2,019,755,000 (as at 31 December 2025: RMB3,000,603,000).

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

At 30 June 2026, the carrying amount of bank acceptances endorsed and discounted by the Group but not yet due was RMB8,976,044,000 (as at 31 December 2025: RMB8,828,465,000). The derecognised acceptances had a maturity of 1 to 12 months at 30 June 2026. In accordance with the Law of Negotiable Instruments, the holders of the derecognised acceptances may exercise the right of recourse against any, several or all of the persons, including the Group, liable for the derecognised acceptances regardless of the order of precedence (the "**continuing involvement**"). In the opinion of the Group, the Group has transferred substantially all the risks and rewards relating to the derecognised acceptances. Accordingly, it has derecognised the full carrying amounts of the derecognised acceptances and the associated accounts payable, and recognised discounting fees. The maximum exposure to loss from the Group's continuing involvement in the derecognised acceptances and the undiscounted cash flows to repurchase these derecognised acceptances is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's continuing involvement in the derecognised acceptances are not significant.

For the six months ended 30 June 2026, the Group did not recognise any gain or loss on the date of transfer of the derecognised acceptances. No gains or losses were recognised from the continuing involvement in derecognised financial assets, both during the period or cumulatively. The endorsement and discounting have been made evenly throughout the period.

3. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as the total borrowings (including long-term borrowings, short-term borrowings, bonds payable and lease liabilities) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet, plus net debt. The Group aims to maintain the gearing ratio at a reasonable level.

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Capital management (Continued)

The gearing ratios of the Group as at 30 June 2026 and 31 December 2025 are as follows:

RMB'000

Item	30 June 2026 (unaudited)	31 December 2025
Total borrowings		
Short-term borrowings *(Note VII, 25)*	20,476,444	22,127,213
Long-term borrowings (inclusive of those due within one year) *(Note VII, 35)*	56,957,945	55,237,884
Bonds payable (inclusive of those due within one year) *(Note VII, 36)*	2,019,533	2,048,833
Lease liabilities (inclusive of those due within one year) *(Note VII, 37)*	554,003	602,091
Less: Cash and cash equivalents *(Note VII,68. (2))*	59,195,620	69,486,260
Net debt	20,812,305	10,529,761
Shareholders' equity	184,872,013	183,559,438
Total capital	205,684,318	194,089,199
The gearing ratio	10.12%	5.43%

XII. FAIR VALUE DISCLOSURES

1. Assets and liabilities that are continuously measured at fair value

RMB'000

Item	Fair value at 30 June 2026 (unaudited) Level 1 of the fair value hierarchy (a)	Level 2 of the fair value hierarchy (b)	Level 3 of the fair value hierarchy (c) (d)	Total
I. Continuously measured at fair value				
(I) Financial assets at FVTPL	493	4,349,356	19,176	4,369,025
1. Held-for-trading financial assets	493	–	1,261	1,754
– Equity instrument investments	493	–	1,261	1,754
2. Other non-current financial assets	–	4,349,356	17,915	4,367,271
– Investments in unquoted funds and trust products	–	4,349,356	–	4,349,356
– Others	–	–	17,915	17,915
(II) Receivables financing	–	8,958,368	–	8,958,368
(III) Other equity instrument investments	328,082	–	1,212,871	1,540,953
1. Stock investments of listed companies	328,082	–	–	328,082
2. Equity investments of unlisted companies	–	–	1,212,871	1,212,871
Total assets that are continuously measured at fair value	328,575	13,307,724	1,232,047	14,868,346

(a) *The basis of market prices determined on level 1 of the fair value hierarchy*

Fair value of non-held-for-trading equity instrument investments with listed companies in held-for-trading financial assets and investments in other equity instruments is based on their closing prices of publicly traded market on the last trading day of the reporting period.

(b) *Qualitative and quantitative information of valuation techniques and key inputs on level 2 of the fair value hierarchy*

	Valuation techniques	Key inputs
Other non-current financial assets – Investments in unquoted funds and trust products	Discounted cash flow method	Average yield rate of similar products of the same term
Receivables financing	Discounted cash flow method	Discounting rate of bank acceptance for the same period

XII. FAIR VALUE DISCLOSURES (CONTINUED)

1. Assets and liabilities that are continuously measured at fair value (Continued)

(c) Qualitative and quantitative information of valuation techniques and key inputs on level 3 of the fair value hierarchy

	Valuation techniques	Key inputs
Held-for-trading financial assets – Unlisted equity investments, investments in other equity instruments – Non-held-for-trading equity instrument investments in unlisted companies, other non-current financial assets – Equity instrument investments	Cost method/Market method/Income method	Future cash flows, discount rate, discount rate for lack of marketability, and PE ratio and PB ratio of comparable listed companies from the same industry

(d) Reconciliation information for assets and liabilities that are continuously measured at Level 3 fair value

RMB'000

Item	31 December 2025	Addition for the period	Changes in fair value	Disposal for the period	30 June 2026 (unaudited)
Held-for-trading financial assets – Unlisted equity investments	1,261	–	–	–	**1,261**
Investments in other equity instruments –Non-held-for-trading equity instrument investments in unlisted companies	1,412,324	42,645	(9,732)	(232,366)	**1,212,871**
Other non-current financial assets – Equity instrument investments	17,123	–	792	–	**17,915**

There was no transfer between any levels of the fair value hierarchy in the reporting period. There was no change in the valuation techniques in the reporting period.

2. Financial assets and financial liabilities that are not continuously measured at fair value

Notes receivables, accounts receivable, other receivables, long-term receivables, non-current assets due within one year, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, long-term payables and non-current liabilities due within one year included in the financial assets and financial liabilities that are not continuously measured at fair value.

The management believes that, the carrying amounts of the above financial assets and financial liabilities measured at amortized cost approximate the fair values of such assets and liabilities.

XIII. RELATED PARTIES AND TRANSACTIONS

1. Details of the parent company of the Company

RMB'000

Name of the parent company	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership interest held by the parent (%)	Proportion of the Company's voting power held by the parent (%)
CMC	Beijing	Integrated	10,200,000	44.33	44.33

As described in Note III, CMC together with its other subsidiaries other than the Group are the Group's related parties.

Related party transactions between the Group and CMC together with its other subsidiaries other than the Group also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

SASAC is the ultimate controlling party of the Company.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note IX, 1.

3. Joint ventures and associates of the Group

Details of the principal joint ventures and associates of the Group are set out in Note IX, 2.

Joint ventures and associates that entered into transactions with the Group during the period, or during the prior period with remaining closing balance were as follows:

Name of joint ventures and associates	Relationship with the Group
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	Joint venture
Chongqing Chengyu Dianfengwu Expressway Co., Ltd.	Joint venture
Xuzhou Guoye Transportation Investment Co., Ltd.	Joint venture
Sichuan Baojiang Data Industrial Park Development and Construction Co., Ltd.	Joint venture
Shenyang Heping Bay Urban Development Co., Ltd.	Joint venture
Shenyang Dongyi International Health Development Co., Ltd.	Joint venture
Ningguo Hechuang Yongning City Operation Management Co., Ltd.	Joint venture
Minhou Baoxin Construction Co., Ltd.	Joint venture
Jiangyin Qingshan Future City Development and Construction Co., Ltd.	Joint venture
Cangzhou Xinbei Urban Renewal Co., Ltd.	Joint venture
Beijing Tiancheng Guyun Property Management Co., Ltd.	Joint venture

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates of the Group (Continued)

Joint ventures and associates that entered into transactions with the Group during the period, or during the prior period with remaining closing balance were as follows: (Continued)

Name of joint ventures and associates	Relationship with the Group
Ma'anshan Zhijian Technology Co., Ltd.	Subsidiary of joint venture
MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	Associate
MCC Beris Jiangsu Heavy Industry Corporation	Associate
Zhengzhou Keye Development and Construction Co., Ltd.	Associate
Zhengzhou Huituo Urban Rural Construction Co., Ltd.	Associate
Yunnan Yongmeng Expressway Construction and Development Co., Ltd.	Associate
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	Associate
Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	Associate
Yichang High Speed Railway New Town Construction Co., Ltd.	Associate
Xiongan Xiongshang Real Estate Co., Ltd.	Associate
Xiong'an Xiongshang Financial Island Development Co., Ltd.	Associate
Xinye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	Associate
Xi'an Zhihui City Underground Comprehensive Pipe Gallery Operation and Management Co., Ltd.	Associate
Wuhan Lvyuan Construction Engineering Co., Ltd.	Associate
Wuzhou Guoye Investment Development Co., Ltd.	Associate
Urumqi Shengjiang Integrated Pipe Gallery Project Co., Ltd.	Associate
Weihai Zhiye Health Care Construction Project Management Co., Ltd.	Associate
Tianjin MCC Tuanbo Urban Rural Development Co., Ltd.	Associate
Tianjin Shenghe Real Estate Co., Ltd.	Associate
Tianjin SERI Machinery Equipment Co., Ltd.	Associate
Suining Kaihong Construction Development Co., Ltd.	Associate
Sixian Siye Construction Investment Co., Ltd.	Associate
Sichuan Tianfu New Area Zhongheng Hengde Real Estate Co., Ltd.	Associate
Sichuan Suiyu Expressway Co., Ltd.	Associate
Shuicheng County Blue Ocean Huaxing Education Investment and Construction Co., Ltd.	Associate
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	Associate
Shanghai Libo Urban Construction and Development Co., Ltd.	Associate
Shanghai Jinghe Real Estate Co., Ltd.	Associate
Shanghai Baoyang Maoye Construction and Development Co., Ltd.	Associate
Shaanxi Rolling Industry Co., Ltd.	Associate
Shandong Expressway Jiqing Middle Line Highway Co., Ltd.	Associate
Inner Mongolia Tongye Construction Project Management Co., Ltd.	Associate
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	Associate
Leshan Lego Urban Construction Engineering Co., Ltd.	Associate
Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	Associate
Lankao Zhongpu Investment Management Co., Ltd.	Associate

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates of the Group (Continued)

Joint ventures and associates that entered into transactions with the Group during the period, or during the prior period with remaining closing balance were as follows: (Continued)

Name of joint ventures and associates	Relationship with the Group
Jiangsu Rongyu Construction and Development Co., Ltd.	Associate
Jiaxing Wangwu Investment Co., Ltd.	Associate
Huaining County Huaiye Construction and Development Co., Ltd.	Associate
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	Associate
Honghe Luqiu Expressway Investment and Development Co., Ltd.	Associate
Hebei Jingcan Real Estate Co., Ltd.	Associate
Hebei Jingtang Industrial Technology Co., Ltd.	Associate
Hangzhou Fuyu Construction Management Co., Ltd.	Associate
Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	Associate
Handan Shihua Engineering Management Co., Ltd.	Associate
Guizhou Xinye Infrastructure Investment Co., Ltd.	Associate
Guangzhou Keling Investment and Development Co., Ltd.	Associate
Gansu Gonghang Lvlan Yonglin Expressway Project Management Co., Ltd.	Associate
Ezhou Xinsheng Construction Engineering Co., Ltd.	Associate
Dancheng Zhongyi Ecological Environment Management Co., Ltd.	Associate
Chongqing Yunkai Expressway Co., Ltd.	Associate
Chongqing Jiangjin Hub Port Industrial Park Construction Co., Ltd.	Associate
Chongzuo Guoye Investment Development Co., Ltd.	Associate
Binhai Shengxin Project Management Co., Ltd.	Associate
Baoding Huabao Construction and Development Co., Ltd.	Associate
Bengbu Jin'an Real Estate Co., Ltd.	Associate
Anyang Hechuang Yongrui Asset Operation Co., Ltd.	Associate
Shanghai Boweida Construction Engineering Co., Ltd.	Subsidiary of associate
Shanghai Libo Construction Co., Ltd.	Subsidiary of associate
Shanghai Libo Jiacheng Construction Co., Ltd.	Subsidiary of associate

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Group

Other related parties that entered into transactions with the Group during the period, or during the prior period with closing balance were as follows (such transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange):

Name of other related parties	Relationship with the Group
Subsidiaries of CMC:	
MCC Real Estate *(Note)*	Under common control of CMC
MCC Real Estate Group Baotou Mingyang Real Estate Development Co., Ltd. *(Note)*	Under common control of CMC
Non-ferrous Engineering *(Note)*	Under common control of CMC
CMGC	Under common control of CMC
China Minmetals Corporation Limited	Under common control of CMC
China National Foreign Trade Financial & Leasing Co., Ltd.	Under common control of CMC
China ENFI Engineering Co., Ltd. *(Note)*	Under common control of CMC
Minmetals Property Services (Hunan) Co., Ltd.	Under common control of CMC
Minmetals Property Services (Guangdong) Co., Ltd.	Under common control of CMC
Minmetals Logistics Group Co., Ltd.	Under common control of CMC
Minmetals Century Mining (Anshan) Co., Ltd.	Under common control of CMC
Minerals Condo (Shanghai) Construction Co., Ltd.	Under common control of CMC
Minmetals Finance Company	Under common control of CMC
Minmetals Hanxing Mining (Anhui) Property Management Co., Ltd.	Under common control of CMC
Minmetals Steel Chongqing Co., Ltd.	Under common control of CMC
Minmetals Steel Xi'an Co., Ltd.	Under common control of CMC
Minmetals Steel Tianjin Co., Ltd.	Under common control of CMC
Minmetals Steel Shanghai Co., Ltd.	Under common control of CMC
Minmetals Steel Lanzhou Co., Ltd.	Under common control of CMC
Minmetals Steel Guangzhou Co., Ltd.	Under common control of CMC
Minmetals Steel Chengdu Co., Ltd.	Under common control of CMC
Minmetals Steel Beijing Co., Ltd.	Under common control of CMC
Minmetals Steel (Wuhan) Limited Company	Under common control of CMC
23rd Metallurgical Construction Group Co., Ltd. of Minmetals	Under common control of CMC
Qinghai Salt Lake Magnesium Industry Co., Ltd.	Under common control of CMC
Nanjing MCC Minghan Real Estate Co., Ltd. *(Note)*	Under common control of CMC
Longteng Yunchuang Industrial Internet (Beijing) Co., Ltd.	Under common control of CMC
Beijing Tianjin Hebei MCC Mingxin Infrastructure Construction Co., Ltd. *(Note)*	Under common control of CMC
Jianhe Innovation Technology (Hainan) Co., Ltd.	Under common control of CMC
Hunan Shizhuyuan Nonferrous Metals Co., Ltd.	Under common control of CMC
Hebei Xiong'an MCC Mingzhuo Industrial Development Co., Ltd. *(Note)*	Under common control of CMC
Chengdu Hongqiang Property Management Co., Ltd.	Under common control of CMC
Northern Europe Metal Minerals Co., Ltd.	Under common control of CMC

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Group (Continued)

Other related parties that entered into transactions with the Group during the period, or during the prior period with closing balance were as follows (such transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange): (Continued)

Name of other related parties	Relationship with the Group
Beijing Zhongshun Jinda Trading Co., Ltd. *(Note)*	Under common control of CMC
Beijing Xinxing Dadi Materials Supplies Co., Ltd. *(Note)*	Under common control of CMC
Beijing Dongxing Metallurgical New Technology Development Co., Ltd.	Under common control of CMC
Anhui Kaifa Mining Co., Ltd.	Under common control of CMC
Hubei Dongye Construction Investment Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Nanyang Yuye Urban Development Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Yantai Tongyuan Tianfu Construction Management Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Tangshan Runda Property Service Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Puyang Guoye Urban Development Construction Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation

Note: As described in Note VII, 67(2), in December 2025, the Company transferred 100% equity interest in MCC Real Estate, China Nonferrous Engineering, MCC Tongsin to Minmetals Land Group and CMC, and consequently lost control over the aforementioned companies. Following the completion of this transaction, the aforementioned companies and their subsidiaries and the Group became under the common control of CMC.

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions

(1) *Purchase or sales of goods, rendering or receipt of services*

(a) *Purchase of goods/receipt of services*

RMB'000

Related parties	Details of related party transactions	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Transactions with companies under common control of CMC (Note):		2,580,877	3,714,138
Minmetals Steel Chengdu Co., Ltd.	Purchase of goods	754,272	1,184,402
Minmetals Steel Shanghai Co., Ltd.	Purchase of goods	473,382	295,076
Minmetals Steel (Wuhan) Limited Company	Purchase of goods and receipt of services	343,105	471,501
Minmetals Steel Tianjin Co., Ltd.	Purchase of goods	308,901	320,509
Minmetals Steel Chongqing Co., Ltd.	Purchase of goods	228,264	193,148
23rd Metallurgical Construction Group Co., Ltd. of Minmetals	Receipt of services	155,881	134,410
Beijing Xinxing Dadi Materials Supplies Co., Ltd.	Purchase of goods and receipt of services	47,951	–
Minmetals Steel Beijing Co., Ltd.	Purchase of goods	41,011	216,331
MCC Real Estate	Purchase of goods and receipt of services	37,681	–
Minmetals Logistics Group Co., Ltd.	Purchase of goods and receipt of services	37,195	118,011
Minmetals Steel Guangzhou Co., Ltd.	Purchase of goods	25,181	8,083
Minmetals Steel Lanzhou Co., Ltd.	Purchase of goods	24,274	25,651
Minerals Condo (Shanghai) Construction Co., Ltd.	Receipt of services	24,190	32,477
Others	Purchase of goods and receipt of services	79,589	714,539
Transactions with joint ventures and associates:		2,486,671	1,062,687
Hebei Jingtang Industrial Technology Co., Ltd.	Receipt of services	415,500	448,395
Handan Shihua Engineering Management Co., Ltd.	Receipt of services	253,737	–
Shanghai Boweida Construction Engineering Co., Ltd.	Receipt of services	246,480	170,006
Shanghai Libo Construction Co., Ltd.	Receipt of services	198,475	114,187
Ma'anshan Zhijian Technology Co., Ltd.	Receipt of services	164,194	124,534
Others	Purchase of goods and receipt of services	1,208,285	205,565

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange. For the six months ended 30 June 2026, the annual approval limit for such connected transactions is RMB28,900,000,000.

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(1) Purchase or sales of goods, rendering or receipt of services (Continued)

(b) Sales of goods/rendering of services

RMB'000

Related parties	Details of related party transactions	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Transactions with companies under common control of CMC *(Note)*:		2,165,335	2,702,031
MCC Real Estate	Rendering of services	499,262	–
Northern Europe Metal Minerals Co., Ltd.	Sales of goods	330,741	273,523
Non-ferrous Engineering	Rendering of services	253,842	–
Minmetals Century Mining (Anshan) Co., Ltd.	Rendering of services	193,636	132,803
CMC	Sales of goods and rendering of services	158,312	22,077
Hunan Shizhuyuan Nonferrous Metals Co., Ltd.	Rendering of services	58,165	56,081
Anhui Kaifa Mining Co., Ltd.	Rendering of services	41,339	17,949
Others	Sales of goods and rendering of services	630,038	2,199,598
Companies that CMC holds more than 30% of their equity interest, has significant influence over them, but does not include them in the scope of consolidation *(Note)*:		513,236	650,211
Hubei Dongye Construction Investment Co., Ltd.	Rendering of services	421,323	209,585
Nanyang Yuye Urban Development Co., Ltd.	Rendering of services	85,155	238,441
Yantai Tongyuan Tianfu Construction Management Co., Ltd.	Rendering of services	6,558	165,570
Others	Rendering of services	200	36,615
Transactions with joint ventures and associates:		7,813,747	22,519,419
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	Rendering of services	757,918	840,032
Xiongan Xiongshang Real Estate Co., Ltd.	Rendering of services	724,750	1,388,784

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(1) *Purchase or sales of goods, rendering or receipt of services (Continued)*

(b) *Sales of goods/rendering of services (Continued)*

RMB'000

Related parties	Details of related party transactions	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Shanghai Baoyang Maoye Construction and Development Co., Ltd.	Rendering of services	620,381	–
Xiong'an Xiongshang Financial Island Development Co., Ltd.	Rendering of services	577,624	234,834
Chongqing Jiangjin Hub Port Industrial Park Construction Co., Ltd.	Rendering of services	350,450	149,772
Chongqing Chengyu Dianfengwu Expressway Co., Ltd.	Rendering of services	332,691	9,174
Sichuan Suiyu Expressway Co., Ltd.	Rendering of services	224,714	160,527
Shenyang Dongyi International Health Development Co., Ltd.	Rendering of services	217,470	226,602
Jiangyin Qingshan Future City Development and Construction Co., Ltd.	Rendering of services	194,752	10,492
Zhengzhou Keye Development and Construction Co., Ltd.	Rendering of services	186,481	165,195
Yichang High Speed Railway New Town Construction Co., Ltd.	Rendering of services	167,542	474,240
Shenyang Heping Bay Urban Development Co., Ltd.	Rendering of services	143,164	287,315
Binhai Shengxin Project Management Co., Ltd.	Rendering of services	142,912	39,964
Shanghai Libo Urban Construction and Development Co., Ltd.	Rendering of services	130,094	12,573
Tianjin Shenghe Real Estate Co., Ltd.	Rendering of services	126,709	52,186
Shanghai Jinghe Real Estate Co., Ltd.	Rendering of services	124,868	46,173
Gansu Gonghang Lvlan Yonglin Expressway Project Management Co., Ltd.	Rendering of services	105,992	93,451
Others	Sales of goods and rendering of services	2,685,235	18,328,105

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange. For the six months ended 30 June 2026, the annual approval limit for such connected transactions is RMB20,100,000,000.

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(2) Related party leases

(a) The Group as a lessor

RMB'000

Name of lessee	Type of leased assets	Leasing income recognised for the six months ended 30 June 2026 (unaudited)	Leasing income recognised for the six months ended 30 June 2025 (unaudited)
Beijing Tiancheng Guyun Property Management Co., Ltd.	Buildings and structures	**6,728**	7,190
Tangshan Runda Property Service Co., Ltd. *(Note)*	Buildings and structures	**1,873**	1,992
Others	Buildings and structures	**691**	8,012
Total	/	**9,292**	17,194

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(2) Related party leases (Continued)

(b) *The Group as a lessee*

RMB'000

Name of lessor	Type of leased assets	Lease liabilities as at 30 June 2026 (unaudited)	Increase in cost of right-of-use assets for the six months ended 30 June 2026 (unaudited)	Lease expenses recognised for the six months ended 30 June 2026 (unaudited)
CMGC *(Note)*	Buildings and structures	39,838	30,564	23,197
Tangshan Runda Property Service Co., Ltd. *(Note)*	Buildings and structures	–	–	12,759
Sichuan Tianfu New Area Zhongheng Hengde Real Estate Co., Ltd.	Buildings and structures	6,012	6,124	3,941
MCC Real Estate *(Note)*	Buildings and structures	–	–	3,889
Beijing Dongxing Metallurgical New Technology Development Co., Ltd. *(Note)*	Buildings and structures	4,399	–	3,290
Non-ferrous Engineering *(Note)*	Buildings and structures	7,824	–	2,691
Beijing Tiancheng Guyun Property Management Co., Ltd.	Buildings and structures	–	–	2,093
Minmetals Property Services (Hunan) Co., Ltd. *(Note)*	Buildings and structures	–	–	1,347
Minmetals Hanxing Mining (Anhui) Property Management Co., Ltd. *(Note)*	Buildings and structures	–	–	877
Chengdu Hongqiang Property Management Co., Ltd. *(Note)*	Buildings and structures	–	–	348
Minmetals Property Services (Guangdong) Co., Ltd. *(Note)*	Buildings and structures	–	–	247
Total	/	58,073	36,688	54,679

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(3) Guarantees for related parties

30 June 2026(unaudited):

(a) The Group as the guarantor

RMB'000

Guarantee	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether the execution of guarantee has been completed
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	300,674	05/09/2023	05/09/2027	No
Beijing Zhongshun Jinda Trading Co., Ltd. *(Note)*	350,000	15/05/2024	15/05/2031	No

Note: As described in Note XIII, 4, in 2025, the Group disposed of 100% equity interest in MCC Real Estate and related claims to Minmetals Land Group a related party. In 2024, the Company provided a joint and several liability guarantee for a trust loan obtained by Beijing Zhongshun Jinda Trading Co., Ltd. (hereinafter referred to as "Zhongshun Jinda"), a subsidiary of Zhongye Real Estate Group. Upon completion of the aforementioned transaction, Zhongshun Jinda became a related party of the Company, and the aforesaid guarantee provided by the Company constituted a related party guarantee. In respect of the above guarantee, the Company signed a counter-guarantee agreement with China Minmetals Corporation in December 2025, whereby China Minmetals Corporation provided a counter-guarantee for the aforesaid guarantee.

(b) The Group as the party being granted credit

RMB'000

Credit grantor	Type of credit	Credit line	Inception date of credit	Expiration date of credit	Credit line used
Minmetals Finance Company *(Note)*	Loans	13,000,000	08/02/2025	08/02/2027	4,355,000
Minmetals Finance Company *(Note)*	Acceptance, non-financing letters of guarantee, and others	1,500,000	08/02/2025	08/02/2027	6,299
Minmetals Finance Company *(Note)*	Notes discounting	500,000	08/02/2025	08/02/2027	–
Total		15,000,000			4,361,299

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(4) Financing with related parties

RMB'000

Related parties	Amount	Inception date	Expiration date	Notes
Borrowings				
Minmetals Finance Company *(Note)*	700,000	5/2/2026	25/12/2026	Working capital borrowings
Minmetals Finance Company *(Note)*	600,000	17/4/2026	16/4/2028	Working capital borrowings
Minmetals Finance Company *(Note)*	400,000	9/4/2026	9/4/2027	Working capital borrowings
Minmetals Finance Company *(Note)*	390,000	9/1/2026	8/1/2028	Working capital borrowings
Minmetals Finance Company *(Note)*	300,000	9/4/2026	9/4/2029	Working capital borrowings
Minmetals Finance Company *(Note)*	200,000	11/2/2026	11/2/2027	Working capital borrowings
Minmetals Finance Company *(Note)*	200,000	20/1/2026	20/1/2028	Working capital borrowings
Minmetals Finance Company *(Note)*	200,000	17/6/2026	17/6/2029	Working capital borrowings
Minmetals Finance Company *(Note)*	200,000	22/5/2026	22/5/2029	Working capital borrowings
Minmetals Finance Company *(Note)*	100,000	9/5/2026	8/5/2027	Working capital borrowings
Minmetals Finance Company *(Note)*	100,000	5/2/2026	5/2/2028	Working capital borrowings
Minmetals Finance Company *(Note)*	100,000	6/3/2026	6/3/2028	Working capital borrowings
Minmetals Finance Company *(Note)*	60,000	26/5/2026	26/5/2027	Working capital borrowings
Minmetals Finance Company *(Note)*	40,000	22/6/2026	22/6/2027	Working capital borrowings
Total	3,590,000	/	/	/

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

Financing with related parties above is interest-bearing. The interest rates ranged from 2.11% to 2.29%.

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(5) *Compensation to key management personnel*

RMB'000

Items	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Total	**2,625**	3,417

(6) *Other related party transactions*

RMB'000

Related parties	Details of related party transactions	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Minmetals Finance Company *(Note)*	Interest income	**62,578**	31,961
Suining Kaihong Construction Development Co., Ltd.	Interest income	**8,666**	9,448
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	Interest income	**8,309**	9,041
Hebei Jingcan Real Estate Co., Ltd.	Interest income	**7,393**	7,654
Tianjin MCC Tuanbo Urban Rural Development Co., Ltd.	Interest income	**6,698**	6,698
Hangzhou Fuyu Construction Management Co., Ltd.	Interest income	**5,974**	5,289
Guizhou Xinye Infrastructure Investment Co., Ltd.	Interest income	**5,028**	5,069
Others	Interest income	**2,689**	80,890
Total		**107,335**	156,050
Minmetals Finance Company *(Note)*	Interest expenses	**32,284**	111,323
CMGC *(Note)*	Interest expenses	**2,980**	3,150
Total		**35,264**	114,473

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties

(1) Receivables

RMB'000

Items	Related parties	30 June 2026 (unaudited) Gross carrying amount	30 June 2026 (unaudited) Credit loss allowance	31 December 2025 Gross carrying amount	31 December 2025 Credit loss allowance
Accounts receivable	Baoding Huabao Construction and Development Co., Ltd.	1,510,718	45,500	1,861,987	72,007
Accounts receivable	Sixian Siye Construction Investment Co., Ltd.	904,434	56,545	917,611	51,341
Accounts receivable	Yunnan Mangliang Expressway Investment and Development Co., Ltd.	764,988	3,825	707,643	3,538
Accounts receivable	Xi'an Zhihui City Underground Comprehensive Pipe Gallery Operation and Management Co., Ltd.	735,816	22,487	596,577	20,405
Accounts receivable	China ENFI Engineering Co., Ltd.	616,063	4,563	702,020	4,600
Accounts receivable	Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	614,736	6,430	556,678	4,807
Accounts receivable	MCC Beris Jiangsu Heavy Industry Corporation	565,717	564,414	565,717	565,188
Accounts receivable	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	515,048	19,596	485,601	19,325
Accounts receivable	Hubei Dongye Construction Investment Co., Ltd.	449,790	17,992	185,497	5,565
Accounts receivable	Xiongan Xiongshang Real Estate Co., Ltd.	407,286	6,761	356,696	7,598
Accounts receivable	Zhengzhou Huituo Urban Rural Construction Co., Ltd.	399,890	19,581	385,228	19,339
Accounts receivable	Binhai Shengxin Project Management Co., Ltd.	399,603	23,131	384,712	11,126
Accounts receivable	Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	376,024	14,391	484,725	6,442
Accounts receivable	Huaining County Huaiye Construction and Development Co., Ltd.	355,663	10,789	218,806	5,098
Accounts receivable	Qinghai Salt Lake Magnesium Industry Co., Ltd.	347,249	280,090	336,171	267,215
Accounts receivable	Others	19,123,265	1,482,661	17,937,000	1,342,933
Total		28,086,290	2,578,756	26,682,669	2,406,527

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(1) Receivables (Continued)

RMB'000

Items	Related parties	30 June 2026 (unaudited) Gross carrying amount	30 June 2026 (unaudited) Credit loss allowance	31 December 2025 Gross carrying amount	31 December 2025 Credit loss allowance
Other receivables	Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	1,841,712	825,735	1,851,809	926,809
Other receivables	Baoding Huabao Construction and Development Co., Ltd.	516,023	2,586	516,023	2,580
Other receivables	Tianjin MCC Tuanbo Urban Rural Development Co., Ltd.	479,718	2,399	492,119	2,461
Other receivables	MCC Real Estate	405,287	5,914	499,156	4,718
Other receivables	Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	327,084	3,273	350,739	3,614
Other receivables	Hebei Jingcan Real Estate Co., Ltd.	315,701	96,449	305,491	91,626
Other receivables	Tianjin SERI Machinery Equipment Co., Ltd.	253,158	253,158	253,358	253,358
Other receivables	Urumqi Shengjiang Integrated Pipe Gallery Project Co., Ltd.	250,000	53,204	250,000	49,805
Other receivables	Guizhou Xinye Infrastructure Investment Co., Ltd.	223,639	8,730	218,611	8,647
Other receivables	Jiaxing Wangwu Investment Co., Ltd.	210,528	194,881	210,528	194,881
Other receivables	Others	3,712,802	747,479	31,525,142	826,501
Total		8,535,652	2,193,808	36,472,976	2,365,000
Prepayments	Minmetals Steel Shanghai Co., Ltd.	121,573	–	38,743	–
Prepayments	China ENFI Engineering Co., Ltd.	50,314	–	71,321	–
Prepayments	Minmetals Steel Chengdu Co., Ltd.	40,587	–	53	–
Prepayments	Hebei Xiong'an MCC Mingzhuo Industrial Development Co., Ltd.	40,048	–	20,537	–
Prepayments	23rd Metallurgical Construction Group Co., Ltd. of Minmetals	24,132	–	17,183	–
Prepayments	Minmetals Steel Xi'an Co., Ltd.	16,108	–	13,823	–
Prepayments	Shanghai Libo Construction Co., Ltd.	14,943	–	34,250	–
Prepayments	Others	86,842	–	61,583	–
Total		394,547	–	257,493	–

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(1) Receivables (Continued)

RMB'000

Items	Related parties	30 June 2026 (unaudited) Gross carrying amount	30 June 2026 (unaudited) Credit loss allowance	31 December 2025 Gross carrying amount	31 December 2025 Credit loss allowance
Contract assets	MCC Real Estate	1,116,829	2,735	719,850	3,349
Contract assets	Yunnan Yongmeng Expressway Construction and Development Co., Ltd.	800,548	13,609	781,719	12,586
Contract assets	Xiongan Xiongshang Real Estate Co., Ltd.	540,241	8,968	442,603	9,427
Contract assets	Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	534,846	6,959	562,604	5,679
Contract assets	Chongqing Yunkai Expressway Co., Ltd.	502,569	8,544	747,195	12,179
Contract assets	Shandong Expressway Jiqing Middle Line Highway Co., Ltd.	438,031	2,190	435,842	2,179
Contract assets	Leshan Lego Urban Construction Engineering Co., Ltd.	433,478	9,623	431,253	9,574
Contract assets	Baoding Huabao Construction and Development Co., Ltd.	421,049	2,513	453,115	2,778
Contract assets	Others	18,580,981	467,240	16,904,855	448,775
Total		23,368,572	522,381	21,479,036	506,526
Long-term receivables	Guizhou Xinye Infrastructure Investment Co., Ltd.	736,855	16,024	725,890	15,099
Long-term receivables	Anyang Hechuang Yongrui Asset Operation Co., Ltd.	382,976	7,966	382,976	7,966
Long-term receivables	Suining Kaihong Construction Development Co., Ltd.	316,195	1,581	390,661	1,953
Long-term receivables	Xuzhou Guoye Transportation Investment Co., Ltd.	281,900	11,276	258,846	7,765
Long-term receivables	Sichuan Baojiang Data Industrial Park Development and Construction Co., Ltd.	274,679	5,713	269,964	5,615
Long-term receivables	Shuicheng County Blue Ocean Huaxing Education Investment and Construction Co., Ltd.	237,407	2,374	240,907	2,409
Long-term receivables	Ningguo Hechuang Yongning City Operation Management Co., Ltd.	181,248	3,770	181,248	3,770
Long-term receivables	Weihai Zhiye Health Care Construction Project Management Co., Ltd.	165,716	–	198,876	–
Long-term receivables	Others	729,226	9,852	837,101	7,823
Total		3,306,202	58,556	3,486,469	52,400

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables

RMB'000

Items	Related parties	30 June 2026 (unaudited)	31 December 2025
Notes payable	Minmetals Steel Shanghai Co., Ltd.	351,091	207,883
Notes payable	Minmetals Steel Chengdu Co., Ltd.	297,560	34,143
Notes payable	Minmetals Steel (Wuhan) Limited Company	93,895	427,511
Notes payable	Minmetals Steel Lanzhou Co., Ltd.	68,945	100
Notes payable	Shanxi Rolling Industry Co., Ltd.	20,000	–
Notes payable	Others	88,707	145,014
Total		920,198	814,651
Accounts payable	Longteng Yunchuang Industrial Internet (Beijing) Co., Ltd.	2,909,066	2,758,898
Accounts payable	Shanghai Boweida Construction Engineering Co., Ltd.	843,297	831,979
Accounts payable	Ma'anshan Zhijian Technology Co., Ltd.	410,576	321,066
Accounts payable	Xinye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	398,287	422,920
Accounts payable	Shanghai Libo Construction Co., Ltd.	383,481	333,841
Accounts payable	Minmetals Steel Chengdu Co., Ltd.	340,665	294,329
Accounts payable	Minmetals Steel Tianjin Co., Ltd.	279,761	205,485
Accounts payable	Shanghai Libo Jiacheng Construction Co., Ltd.	240,901	163,519
Accounts payable	Minmetals Steel (Wuhan) Limited Company	239,636	10,315
Accounts payable	MCC Real Estate	238,637	249,509
Accounts payable	Shanghai Libo Urban Construction and Development Co., Ltd.	176,545	89,679
Accounts payable	Others	1,658,153	1,256,710
Total		8,119,005	6,938,250

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables (Continued)

RMB'000

Items	Related parties	30 June 2026 (unaudited)	31 December 2025
Other payables	MCC Real Estate	1,258,026	1,454,568
Other payables	CMC	846,520	846,520
Other payables	Ezhou Xinsheng Construction Engineering Co., Ltd.	343,782	343,782
Other payables	Honghe Luqiu Expressway Investment and Development Co., Ltd.	304,000	254,000
Other payables	Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	240,366	242,730
Other payables	Puyang Guoye Urban Development Construction Co., Ltd.	234,000	234,000
Other payables	Bengbu Jin'an Real Estate Co., Ltd.	218,291	294,981
Other payables	Dancheng Zhongyi Ecological Environment Management Co., Ltd.	150,000	150,000
Other payables	Wuhan Lvyuan Construction Engineering Co., Ltd.	127,000	127,000
Other payables	Lankao Zhongpu Investment Management Co., Ltd.	97,500	97,500
Other payables	Chongzuo Guoye Investment Development Co., Ltd.	96,667	96,667
Other payables	MCC Real Estate Group Baotou Mingyang Real Estate Development Co., Ltd.	93,642	134,299
Other payables	Wuzhou Guoye Investment Development Co., Ltd.	93,100	93,820
Other payables	Nanjing MCC Minghan Real Estate Co., Ltd.	92,683	98,639
Other payables	Others	2,302,822	2,606,639
Total		6,498,399	7,075,145
Contract liabilities	Tianjin Shenghe Real Estate Co., Ltd.	757,371	232,104
Contract liabilities	Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	581,063	588,339
Contract liabilities	Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	335,235	62,275
Contract liabilities	Beijing Tianjin Hebei MCC Mingxin Infrastructure Construction Co., Ltd.	81,259	2,359
Contract liabilities	Non-ferrous Engineering	72,563	13,751
Contract liabilities	Shanghai Jinghe Real Estate Co., Ltd.	71,004	2,240
Contract liabilities	Minhou Baoxin Construction Co., Ltd.	69,334	101,701
Contract liabilities	Jiangsu Rongyu Construction and Development Co., Ltd.	67,779	55,779
Contract liabilities	Guangzhou Keling Investment and Development Co., Ltd.	60,928	114,626
Contract liabilities	Inner Mongolia Tongye Construction Project Management Co., Ltd.	60,000	60,000
Contract liabilities	Cangzhou Xinbei Urban Renewal Co., Ltd.	55,868	47,517
Contract liabilities	Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	47,700	51,684
Contract liabilities	Others	916,024	1,717,896
Total		3,176,128	3,050,271

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables (Continued)

RMB'000

Items	Related parties	30 June 2026 (unaudited)	31 December 2025
Non-current liabilities due within one year	Minmetals Finance Company	91,652	–
Non-current liabilities due within one year	Sichuan Tianfu New Area Zhongheng Hengde Real Estate Co., Ltd.	6,012	11,421
Non-current liabilities due within one year	Non-ferrous Engineering	5,190	5,113
Non-current liabilities due within one year	Beijing Dongxing Metallurgical New Technology Development Co., Ltd.	4,399	7,464
Non-current liabilities due within one year	MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	3,286	3,286
Non-current liabilities due within one year	Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	1,354	1,354
Non-current liabilities due within one year	CMGC	166	29,847
Non-current liabilities due within one year	China National Foreign Trade Financial & Leasing Co., Ltd.	–	181
Total		112,059	58,666
Long-term borrowings	Minmetals Finance Company	2,565,000	550,000
Long-term borrowings	CMGC	444,550	444,550
Total		3,009,550	994,550
Short-term borrowings	Minmetals Finance Company	1,700,000	1,210,000
Total		1,700,000	1,210,000
Long-term payables	China Minmetals Corporation Limited	70,854	69,174
Long-term payables	Jianhe Innovation Technology (Hainan) Co., Ltd.	15,000	12,000
Long-term payables	MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	6,573	6,573
Long-term payables	Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	2,708	2,708
Long-term payables	Shanghai Libo Urban Construction and Development Co., Ltd.	2,060	2,060
Total		97,195	92,515

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

7. Cash and bank balances in related parties

RMB'000

Related party	30 June 2026 (unaudited)	31 December 2025
Minmetals Finance Company	**14,014,614**	12,745,659
Total	**14,014,614**	12,745,659

Note: As at 30 June 2026, the annual interest rate of the above deposits was 0.35% % to 1.15% % (31 December 2025: 0.35% to 1.15%)

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital expenditure commitments

As at the balance sheet date, the Group had capital expenditure commitments contracted but not recognised in the balance sheet as follows:

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Buildings, structures and equipment	**5,852**	13,928
Total	**5,852**	13,928

2. Contingencies

(1) Significant contingencies at the balance sheet date

(a) Pending litigation or arbitration

As at 30 June 2026, objects of pending litigation or arbitration in which the Group acted as defendant amounted to RMB7,645,736,000(as at 31 December 2025: RMB8,453,467,000).

XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1) Significant contingencies at the balance sheet date (Continued)

(a) Pending litigation or arbitration (Continued)

The Group has been involved in a number of lawsuits and other legal proceedings arising in the ordinary course of business. Provisions will be made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits based on management's judgments and legal advice. No provisions will be made for the above pending lawsuits if management determines the outflow of resources is not probable. As at 30 June 2026, management has made provisions for pending lawsuits of RMB247,314,000, details of which are set out in Note VII, 40.

(b) Financial guarantees given to banks

(i) Mortgage guarantees

RMB'000

Guarantor	**30 June 2026 (unaudited)**
Mortgage guarantees	**91,953**

The Group's subsidiaries in property development sector would provide mortgage guarantees to the property purchasers as it is a common practice in property development industry. Under such arrangements, the period of the guarantees is from the date of the contracts being signed to the date of the legal title of the properties finally being transferred to the purchasers and the certificates could be used as collaterals. The Group considers that the risk related to such guarantees is minor.

(ii) Loan guarantees

RMB'000

Guarantor	**Guarantee**	**30 June 2026 (unaudited)**
China MCC20 Group Co., Ltd. *(Note1)*	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	**300,674**
Metallurgical Corporation of China Ltd. *(Note 2)*	Zhongshun Jinda.	**350,000**

XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1) Significant contingencies at the balance sheet date (Continued)

(b) Financial guarantees given to banks (Continued)

(ii) Loan guarantees (Continued)

Note 1: In 2019, Zhuhai Hengqin Headquarters Building Development Co., Ltd. was a subsidiary of the Group within the scope of consolidation. In 2020, other shareholders of Zhuhai Hengqin Headquarters Building Development Co., Ltd. revoked their concerted action agreement with the Group, and the Group lost control of it. Zhuhai Hengqin Headquarters Building Development Co., Ltd. became a joint venture of the Group. China MCC20 Group Co., Ltd. provided a guarantee for the loan of Zhuhai Hengqin Headquarters Building Development Co., Ltd. The actual guarantee amount was RMB300,674,000 and the maximum guaranteed amount was RMB520,000,000, and the guarantee period was from 5 September 2023 to 5 September 2027. Zhuhai Hengqin Headquarters Building Development Co., Ltd. is in good financial condition, and the management expects that there is no major debt default risk.

Note 2: As described in in Note XIII,5. (3) (a), the Company provided a joint and several liability guarantee for the trust loan obtained by Zhongshun Jinda, a subsidiary of MCC Real Estate. In respect of the aforesaid guarantee, the Company entered into a counter-guarantee agreement with China Minmetals Corporation in December 2025, under which China Minmetals Corporation provided a counter-guarantee for the said guarantee. Management is of the opinion that no significant risk of debt default exists in relation to this matter.

(c) Others

(i) Sino Iron Project

In 2012, due to extreme adverse weather condition, including typhoon, the progress of the Sino Iron Project was behind the original planned schedule giving rise to the substantial project cost overrun. The management is of the view that the Group has implemented appropriate procedures to control project costs, shorten project delay and minimise the loss resulted from the project schedule delay. In respect of the compensation clause set out in the construction contract entered into between the Group and the customer regarding the loss to customer resulted from the project delay due to the contractor own reason, the Group had sufficient communication with CITIC Group who is the customer of the Sino Iron Project. Both the Group and CITIC Group believe that the project delay was due to various reasons. A consensus has been reached between the Group and CITIC Group that the second main process production line of the Sino Iron Project should be completed and available for trial run by 15 April 2013. Due to the technical issue of cyclo electric motors, the trial run of the second main process production line of the Sino Iron Project was further delayed. The cyclo electric motors were purchased by a subsidiary of CITIC Group from an overseas supplier. The Group is of the view that the Group has appropriately performed its duty and fulfilled its responsibility in constructing the second main process production line according to the consensus reached with CITIC Group. The reason for the delay in trial run of the second main process production line of the Sino Iron Project was principally due to quality issue of cyclo electronic motors which were not purchased by the Group.

XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1) Significant contingencies at the balance sheet date (Continued)

(c) Others (Continued)

(i) Sino Iron Project (Continued)

As of the date of approving these financial statements, the customer has not lodged any compensation claims against the Group in respect of the project delay. The Group has already taken measures in shortening the project delay and had sufficient communication with the customer of this project. The Group is of the view that the risk of being claimed by the customer of this project is remote. Therefore, no provisions shall be required.

(ii) Litigation Matters of Guangxi Iron and Steel

In 2018, the subsidiary CISDI Engineering Co., Ltd. (hereinafter referred to as "CISDI") signed the "General Contract for the Blast Furnace Body and Auxiliary Facilities Project of Fangchenggang Iron and Steel Base" with Guangxi Iron and Steel Group Co., Ltd. (hereinafter referred to as "Guangxi Iron and Steel"), and the project has been put into operation on schedule. In 2022, there was an engineering quality dispute. As it was still within the warranty period of CISDI, Guangxi Iron and Steel officially sued CISDI in October 2023. At the end of July 2024, Guangxi Iron and Steel changed its lawsuit request, adjusting the repair cost from RMB212,465,000 to RMB208,812,000 and the production compensation loss from RMB10,000 to RMB1,144,683,000.

On 23 to 24 January 2025, and on 24 June 2025, the lawsuit was first and second heard in the Intermediate People's Court of Fangchenggang City, Guangxi Zhuang Autonomous Region. Due to the professional technical issues involved in this case, a third-party appraisal of the accident is required as the basis for clarifying the causes and responsibilities of both parties. In March 2026 and May 2026, the institutions for assessing production loss costs and production operations were appointed, respectively. On 22 April 2026, a site inspection was conducted for the blast furnace stave quality assessment applied by Guangxi Iron and Steel. Given that no material progress has been made in the appraisal, so the possible outcome of this case cannot be determined at this time. The Group believes that the possibility of losing the lawsuit is extremely low, and therefore, determines that no provisions shall be required.

XV. EVENTS AFTER THE BALANCE SHEET DATE

1. Repurchase of the Company's A Shares and H Shares

During the period from 1 July 2026 to the date of approval of this financial report, the progress of the Company's repurchase of A shares and H shares is as follows:

The Company has repurchased 96,032,081 A shares, representing 0.4634% of the Company's total share capital (before cancellation of repurchased H Shares), at a maximum transaction price of RMB2.72 per share and a minimum price of RMB2.42 per share, with an aggregate transaction amount of RMB249,461,000 (excluding transaction fees).

XV. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

1. Repurchase of the Company's A Shares and H Shares (Continued)

The Company has repurchased 33,815,000 H shares, representing 0.1632% of the Company's total share capital (before cancellation of repurchased H Shares), at a maximum transaction price of HKD1.56 per share and a minimum price of HKD1.35 per share, with an aggregate transaction amount of HKD49,706,000 (excluding transaction fees).

2. Issued medium-term notes

The details of the Company's medium-term notes issued after the balance sheet date are as follows:

RMB'000

Name	Date of Issuance	Term	Amount of Issuance
26 MCC MTN001	26 August 2026	3+N	2,000,000
26 MCC MTN002	27 August 2026	3+N	2,000,000

XVI. OTHER SIGNIFICANT EVENTS

1. Segment information

(1) Determination basis and accounting policies of reporting segments

The Group determines operating segments based on internal organisation structure, management requirements and internal reporting systems, and determines reporting segments and discloses segment information on the basis of operating segments.

Operating segment is a component of the Group which satisfies all of the following conditions:

(a) The component is able to generate income, expenses in daily activities;

(b) The Group's management evaluates the operating results of that segment regularly, determines the allocation of resources, and evaluates its performance;

(c) The Group can obtain the financial position, operating results, cash flows and other relevant accounting information of the segment. If two or more operating segments have similar economic characteristics and meet certain conditions, they could be combined into a single operating segment.

The Group implemented operational strategy adjustments to optimise its business structure and focus on core operations in the period, establishing a new business framework centred on metallurgical construction, with industrial construction and basic infrastructure development as two major pillars, complemented by distinctive businesses including engineering services, new materials, high-end equipment, energy and environmental protection, and digital-intelligent applications. To provide more relevant accounting information in the financial statements that reflects the Group's current principal business activities, the Group has reclassified its continuing operations into three segments: core business, principal business, and featured business. Additionally, comparative figures for 2025 have been restated accordingly.

XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (Continued)

(1) Determination basis and accounting policies of reporting segments (Continued)

As described in Note VII, 67(2), in December 2025, the Company transferred 100% equity interest in MCC Real Estate, 100% equity interest in China Nonferrous Engineering, 100% equity interest in MCC Tongsin, and 100% equity interest in Ramu Management, as well as 67.02% equity interest in MCC-JJJ, to Minmetals Land Group and CMC, and consequently lost control over the aforementioned companies. These operations constitute discontinued operations. The relevant entities shall be no longer included in the Group's consolidated financial statements from 31 December 2025. The comparative figures of the above entities are presented as discontinued operations by the Group in the consolidated income statement.

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

Inter-segment transfers are measured on the basis of actual transaction prices. Segment revenue and segment expenses are determined on the basis of actual revenue and expenses of each segment. Segment assets and liabilities are allocated according to the attributable assets employed by a segment in its operating activities and the attributable liabilities resulting from the operating activities of a segment.

(2) Financial information of reporting segments

(a) Segment information for the six months ended 30 June 2026 (unaudited) and at 30 June 2026(unaudited)

RMB'000

Items	Core Business	Main business	Featured business	Undistributed amount	Elimination between segments	Total
Operating income	37,800,144	119,077,003	20,019,739	–	(990,324)	175,906,562
Including: Revenue from external customers	37,415,116	119,000,897	19,490,549	–	–	175,906,562
Revenue between segments	385,028	76,106	529,190	–	(990,324)	–
Impairment losses of credit	(24,089)	(765,107)	(136,810)	–	–	(926,006)
Impairment losses of assets	(91,574)	(388,535)	(11,419)	–	–	(491,528)
Depreciation and amortisation expenses	(279,724)	(665,284)	(643,266)	–	–	(1,588,274)
Total profit/(loss)	881,277	2,110,665	1,096,739	–	(69,248)	4,019,433
Net profit/(loss)	760,924	1,581,303	804,233	–	(69,248)	3,077,212
Assets	145,601,818	647,178,732	68,701,930	9,210,168	(63,898,297)	806,794,351
Liabilities	121,401,180	517,887,372	45,839,963	114,775	(63,320,952)	621,922,338

XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (Continued)

(2) *Financial information of reporting segments (Continued)*

(b) *Segment information for the six months ended 30 June 2025 (unaudited) and at 31 December 2025*

RMB'000

Items	Continuing operations						
	Core Business	Main business	Featured business	Unallocated amounts	Discontinued operations	Elimination between segments	Total
Operating income	39,833,876	168,199,533	22,166,493	–	9,723,782	(2,390,972)	237,532,712
Including: Revenue from external customers	39,727,656	167,223,195	20,858,079	–	9,723,782	–	237,532,712
Revenue between segments	106,220	976,338	1,308,414	–	–	(2,390,972)	–
Impairment losses of credit	(38,824)	(1,154,735)	(197,058)	–	(514,897)	–	(1,905,514)
Impairment losses of assets	(155,016)	(910,383)	(68,931)	–	(579,167)	13,414	(1,700,083)
Depreciation and amortisation expenses	(374,479)	(382,988)	(917,203)	–	(522,723)	–	(2,197,393)
Total profit/(loss)	1,079,073	4,221,271	1,438,781	–	(1,225,722)	(234,254)	5,279,149
Net profit/(loss)	929,325	3,421,022	1,166,892	–	(1,209,993)	(234,254)	4,072,992
Assets	158,475,800	666,084,842	66,331,160	8,985,407	–	(60,388,527)	839,488,682
Liabilities	140,491,065	534,538,995	40,413,584	120,036	–	(59,634,436)	655,929,244

(3) *Other explanations*

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

RMB'000

Items	**For the six months ended 30 June 2026 (unaudited)**	For the six months ended 30 June 2025 (unaudited)
Revenue from external customers in China	**159,332,161**	223,052,403
Revenue from external customers in other countries/(regions)	**16,574,401**	14,480,309
Total	**175,906,562**	237,532,712

XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (Continued)

(3) Other explanations (Continued)

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

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Non-current assets in China	129,799,640	129,403,118
Non-current assets in other countries/(regions)	5,121,280	3,612,295
Total	134,920,920	133,015,413

Note: The above non-current assets do not include deferred tax assets and financial assets.

(b) Dependence on major customers

No revenue was generated from sales to a single customer which amounted to 10% or more than 10% of the Group's revenue.

2. Net current assets and total assets less current liabilities

(1) Net current assets

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Current assets	606,345,022	639,634,797
Less: Current liabilities	568,030,281	606,414,578
Net current assets	38,314,741	33,220,219

XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Net current assets and total assets less current liabilities (Continued)

(2) Total assets less current liabilities

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Total assets	**806,794,351**	839,488,682
Less: Current liabilities	**568,030,281**	606,414,578
Total assets less current liabilities	**238,764,070**	233,074,104

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Aging analysis

RMB'000

Aging	30 June 2026 (unaudited)	31 December 2025
Within 1 year	**–**	7,425
1 to 2 years	**–**	146,051
2 to 3 years	**106,571**	22,156
3 to 4 years	**32,589**	52,803
4 to 5 years	**–**	94,786
Over 5 years	**25,092**	25,092
Total gross carrying amount	**164,252**	348,313
Less: Credit loss allowance	**33,692**	31,883
Carrying amount	**130,560**	316,430

Settlement of accounts receivable generated through engineering and construction services is made in accordance with terms specified in the contracts governing the relevant transactions. The aging of accounts receivable is calculated based on the date of issuing billing of construction service or date of revenue recognition.

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2) *Changes in credit loss allowance of accounts receivable*

RMB'000

Item	31 December 2025	Provision	Reversal	30 June 2026 (unaudited)
Credit loss allowance	31,883	1,809	–	33,692

(3) *The five largest accounts receivable, contract assets and other non-current assets collected by arrears at 30 June 2026 (unaudited):*

RMB'000

Name of entity	Balance of accounts receivable as at 30 June 2026	Balance of contract assets as at 30 June 2026	Balance of other non-current assets as at 30 June 2026	Total balance of accounts receivable, contract assets and other non- current assets as at 30 June 2026	As a percentage of total closing balance of accounts receivable, contract assets and other non-current assets (%)	Total balance of credit loss allowance of accounts receivable, provision for impairment of contract assets and other non-current assets as at 30 June 2026
Party 1	101,154	–	313,639	414,793	20.52	14,089
Party 2	–	304,806	–	304,806	15.08	–
Party 3	–	–	289,566	289,566	14.33	–
Party 4	–	58,556	195,558	254,114	12.57	5,540
Party 5	38,006	199,170	–	237,176	11.73	–
Total	139,160	562,532	798,763	1,500,455	74.23	19,629

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables

(1) Classification of other receivables

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Interest receivable	2,505,630	2,439,077
Dividends receivable	4,456,881	2,163,727
Other receivables	59,066,287	58,181,524
Total	66,028,798	62,784,328

(2) Interest receivable

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Subsidiaries of the Company	3,201,397	3,134,844
Less: Credit loss allowance	695,767	695,767
Total	2,505,630	2,439,077

(3) Dividends receivable

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Subsidiaries of the Company	4,456,881	2,163,727
Total	4,456,881	2,163,727

As at 30 June 2026, the closing balance of dividends receivable aged more than one year was RMB1,993,268,000 (as at 31 December 2025: RMB2,014,224,000).

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables

(a) *Aging analysis*

RMB'000

Aging	30 June 2026 (unaudited)	31 December 2025
Within 1 year	46,838,504	43,313,623
1 to 2 years	997,483	3,598,830
2 to 3 years	716,958	761,040
3 to 4 years	3,120,526	3,136,505
4 to 5 years	152,288	125,105
Over 5 years	13,744,301	13,750,189
Total gross carrying amount	65,570,060	64,685,292
Less: Credit loss allowance	6,503,773	6,503,768
Carrying amount	59,066,287	58,181,524

(b) *Other receivables classified by nature*

RMB'000

Nature of other receivables	30 June 2026 (unaudited)	31 December 2025
Subsidiaries of the Company	65,419,519	38,491,699
Equity transfer payment to be recovered	–	26,041,658
Deposits and guarantees	72,979	73,167
Others	77,562	78,768
Total	65,570,060	64,685,292

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

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

30 June 2026 (unaudited)

RMB'000

Category	Gross carrying amount		Credit loss allowance		
	Amount	Proportion *(%)*	Amount	Proportion of provision *(%)*	Carrying amount
Other receivables for which credit loss allowance is individually assessed	65,536,388	99.95	6,470,456	9.87	59,065,932
Other receivables for which credit loss allowance is collectively assessed based on credit risk characteristics	33,672	0.05	33,317	98.95	355
Total	65,570,060	100	6,503,773	9.92	59,066,287

31 December 2025

RMB'000

Category	Gross carrying amount		Credit loss allowance		
	Amount	Proportion *(%)*	Amount	Proportion of provision *(%)*	Carrying amount
Other receivables for which credit loss allowance is individually assessed	64,651,345	99.95	6,470,456	10.01	58,180,889
Other receivables for which credit loss allowance is collectively assessed based on credit risk characteristics	33,947	0.05	33,312	98.13	635
Total	64,685,292	100.00	6,503,768	10.05	58,181,524

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

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

Other receivables for which credit loss allowance is individually assessed:

RMB'000

Name of entity	30 June 2026 (unaudited) Gross carrying amount	Credit loss allowance	Proportion of provision *(%)*	Reasons
Shanghai Baoye Group Co., Ltd.	9,065,259	–	/	The Company considered the reasonable and supported information related to other party (including forward-looking information), then evaluated the expected credit losses and made allowance for credit losses.
Western Australia	6,801,842	3,719,055	54.68	
MCC Communication Construction Group Co., Ltd.	5,543,049	–	/	
China Second Metallurgical Group Co., Ltd.	5,203,276	–	/	
China First Metallurgical Group Co., Ltd.	4,342,023	–	/	
Others	34,580,939	2,751,401	7.96	
Total	65,536,388	6,470,456	9.87	/

(d) Changes in credit loss allowance of other receivables

For the six months ended 30 June 2026 (unaudited)

RMB'000

Items	Stage 1 12-month ECL	Stage 2 Life-time ECL (not credit-impaired)	Stage 3 Life-time ECL (credit-impaired)	Total
Credit loss allowance at 31 December 2025	2	3	6,503,763	6,503,768
Provision	–	5	–	5
Credit loss allowance at 30 June 2026	2	8	6,503,763	6,503,773

VII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

(e) As at 30 June 2026, the top five of other receivables categorised by debtor at the end of the year are as follows(unaudited):

RMB'000

Name of entity	Relationship with the Company	Nature of the amount	Aging	Gross carrying amount at 30 June 2026	Credit loss allowance at 30 June 2026	As a percentage of total other receivables *(%)*
Shanghai Baoye Group Co., Ltd.	Subsidiary	Internal loans	Within 1 year, 1 to 2 years, over 3 years	9,065,259	–	13.83
Western Australia	Subsidiary	Advances/internal loans	Within 1 year, 2 to 4 years, over 5 years	6,801,842	3,719,055	10.37
MCC Communication Construction Group Co., Ltd.	Subsidiary	Internal loans	Within 1 year, 2 to 4 years	5,543,049	–	8.45
China Second Metallurgical Group Co., Ltd.	Subsidiary	Internal loans	Within 1 year	5,203,276	–	7.94
China First Metallurgical Group Co., Ltd.	Subsidiary	Internal loans	Within 1 year, over 5 years	4,342,023	–	6.62
Total	/	/	/	30,955,449	3,719,055	47.21

3. Long-term receivables

(1) Classification of long-term receivables

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Subsidiaries of the Company	**138,660**	257,341
Others	**2,037**	2,037
Total gross carrying amount	**140,697**	259,378
Less: Credit loss allowance of long-term receivables	**138,660**	138,660
Total net book value	**2,037**	120,718
Less: Long-term receivables due within one year, net	**–**	–
Long term receivables due after one year, net	**2,037**	120,718

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term receivables (Continued)

(2) Changes in credit loss allowance of long-term receivables

For the six months ended 30 June 2026, changes in credit loss allowance of long-term receivables based on 12-month ECL and lifetime ECL are as follows(unaudited):

RMB'000

Item	Stage 1 12-month ECL	Stage 2 Life-time ECL (not credit-impaired)	Stage 3 Life-time ECL (credit-impaired)	Total
Credit loss allowance at 30 June 2026 and 31 December 2025	–	–	138,660	138,660

4. Long-term equity investments

RMB'000

Items	30 June 2026(unaudited)			31 December 2025		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Investments in subsidiaries	86,333,126	923,201	85,409,925	77,814,133	923,201	76,890,932
Investments in joint ventures and associates	1,239,283	113,146	1,126,137	1,242,695	113,146	1,129,549
Total	87,572,409	1,036,347	86,536,062	79,056,828	1,036,347	78,020,481

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(1) Investments in subsidiaries

RMB'000

Investees	Gross carrying amount at 31 December 2025	Increase	Decrease	Gross carrying amount at 30 June 2026 (unaudited)	Impairment provision at 30 June 2026 (unaudited)	Carrying amount at 30 June 2026 (unaudited)	Cash dividend declared (unaudited)
MCC Communication Construction Group Co., Ltd.	9,148,023	–	–	9,148,023	–	9,148,023	–
MCC Jingcheng Engineering Technology Co., Ltd.	7,175,684	–	–	7,175,684	–	7,175,684	168,469
Shanghai Baoye Group Co., Ltd.	6,710,953	–	–	6,710,953	–	6,710,953	283,908
WISDRI Engineering & Research Incorporation Limited	5,453,492	–	–	5,453,492	–	5,453,492	161,973
China MCC5 Group Corp. Ltd.	5,122,567	–	–	5,122,567	–	5,122,567	564,933
CISDI Group Co., Ltd.	4,368,886	500,000	–	4,868,886	–	4,868,886	601,520
China MCC22 Group Co., Ltd.	3,487,199	–	–	3,487,199	–	3,487,199	230,570
China MCC19 Group Co., Ltd.	3,476,455	–	–	3,476,455	–	3,476,455	132,060
Central Research Institute of Building and Construction Co., Ltd., MCC Group	3,059,049	547,490	–	3,606,539	–	3,606,539	602,776
China Huaye Group Co., Ltd.	2,412,037	–	–	2,412,037	–	2,412,037	74,850
MCC TianGong Group Corporation Limited	2,261,984	1,821,000	–	4,082,984	–	4,082,984	2,073,525
Huatian Engineering & Technology Corporation, MCC	2,156,648	–	–	2,156,648	–	2,156,648	20,639
China Metallurgical Construction Engineering Group Co., Ltd.	2,085,910	–	–	2,085,910	–	2,085,910	222,812
China First Metallurgical Group Co., Ltd.	2,045,090	–	–	2,045,090	–	2,045,090	286,647
ACRE Coking & Refractory Engineering Consulting Corporation, MCC	1,898,546	–	–	1,898,546	–	1,898,546	32,762
China MCC17 Group Co., Ltd.	1,755,361	–	–	1,755,361	–	1,755,361	189,684
China MCC20 Group Co., Ltd.	1,680,279	–	–	1,680,279	–	1,680,279	11,060
China Second Metallurgical Group Co., Ltd.	1,540,924	–	–	1,540,924	–	1,540,924	3,870
China MCC3 Group Co., Ltd.	1,600,096	4,500,000	–	6,100,096	140,096	5,960,000	–
MCC Baosteel Technology Services Co., Ltd.	1,091,924	–	–	1,091,924	–	1,091,924	115,298
MCC-SFRE Heavy Industry Equipment Co., Ltd.	1,110,635	–	–	1,110,635	63,035	1,047,600	–
WSGRI Engineering & Surveying Incorporation Limited	1,023,777	–	–	1,023,777	–	1,023,777	66,290
Zhongye Changtian International Engineering Co., Ltd.	991,130	–	–	991,130	–	991,130	73,068
MCC Great Wall Investment Co., Ltd.	834,012	–	–	834,012	–	834,012	6,160
Northern Engineering & Technology Corporation, MCC	826,271	–	–	826,271	–	826,271	–
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	789,593	–	–	789,593	–	789,593	–

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(1) Investments in subsidiaries (Continued)

RMB'000

Investees	Gross carrying amount at 31 December 2025	Increase	Decrease	Gross carrying amount at 30 June 2026 (unaudited)	Impairment provision at 30 June 2026 (unaudited)	Carrying amount at 30 June 2026 (unaudited)	Cash dividend declared (unaudited)
MCC Ecological Environmental Protection Group Co., Ltd.	750,000	450,503	–	1,200,503	–	1,200,503	29,211
MCC Road & Bridge Construction Co., Ltd.	686,887	–	–	686,887	–	686,887	–
MCC (Shanghai) Steel Structure Technology Corp., Ltd.	420,991	–	–	420,991	–	420,991	16,361
China 13th Metallurgical Construction Corporation	372,399	–	–	372,399	–	372,399	–
Shen Kan Engineering & Technology Corporation, MCC	344,972	700,000	–	1,044,972	–	1,044,972	–
MCC Urban Investment Holding Co., Ltd.	150,000	–	–	150,000	–	150,000	–
MCC International Incorporation Ltd.	110,804	–	–	110,804	–	110,804	5,180
MCC South China Construction Investment Co., Ltd.	51,000	–	–	51,000	–	51,000	–
MCC Integrated Pipe Network Technology & Development Co., Ltd.	50,000	–	–	50,000	–	50,000	–
China Metallurgical (Hainan) Investment Development Co., Ltd.	24,000	–	–	24,000	–	24,000	–
MCC Zhongyuan Construction Investment Co., Ltd.	20,000	–	–	20,000	–	20,000	–
MCC Holding (Hong Kong) Corporation Limited	6,485	–	–	6,485	–	6,485	–
MCC Overseas Ltd.	475,644	–	–	475,644	475,644	–	–
Western Australia	126,807	–	–	126,807	126,807	–	–
China MCC International Economic and Trade Co., Ltd.	69,392	–	–	69,392	69,392	–	–
MCC Australia Holding Pty Ltd.	48,227	–	–	48,227	48,227	–	–
Total	77,814,133	8,518,993	–	86,333,126	923,201	85,409,925	5,973,626

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(2) Investments in joint ventures and associates

RMB'000

Investees	Gross carrying amount at 31 December 2025	Changes for the period					Gross carrying amount at 30 June 2026 (unaudited)	Impairment provision at 30 June 2026 (unaudited)
		Increase in investments	Decrease in investments	Investment income or loss recognised under equity method	Other comprehensive income adjustments	Cash dividends or profit declared		
Beijing MCC Jianxin Investment Fund Management Co., Ltd.	89,511	–	–	584	–	(2,500)	87,595	–
MCC International Investment Development Co., Ltd.	852,373	–	–	4,713	–	–	857,086	–
MCC Xiangxi Mining Industry Co., Ltd.	113,146	–	–	–	–	–	113,146	113,146
Shenzhen MCC Utility Tunnel Construction and Investment Co., Ltd.	5,510	–	–	(3,300)	–	–	2,210	–
MCC-Huafa Public Utility Tunnel Co., Ltd.	12,849	–	–	35	–	–	12,884	–
Beijing Jingxi Travel Industry Investment Fund (limited partnership)	99,107	–	–	(593)	(1,484)	(893)	96,137	–
Yingtan MCC Xinyin Industry Development Partnership (limited partnership)	70,199	–	–	4,158	–	(4,132)	70,225	–
Total	1,242,695	–	–	5,597	(1,484)	(7,525)	1,239,283	113,146

There are no significant restrictions on withdrawing the above long-term equity investments.

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Short-term borrowings

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Credit loans:		
RMB	–	1,011,347
Total	–	1,011,347

As at 30 June 2026, there were no short-term borrowings overdue but not yet paid.

6. Other payables

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Amounts due to subsidiaries	42,578,731	41,177,365
External dividends payable	1,320,714	518,298
Equity transfer payment	–	828,360
Others	280,408	324,819
Total	44,179,853	42,848,842

7. Non-current liabilities due within one year

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Long-term borrowings due within one year *(Note XVII, 8)*	2,400,164	3,000,181
Long-term employee benefits payable due within one year	5,840	5,840
Bonds payable due within one year	19,534	48,833
Lease liabilities due within one year	19,876	19,876
Total	2,445,414	3,074,730

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

8. Long-term borrowings

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Credit loans	2,839,244	3,439,261
Total	2,839,244	3,439,261
Including: Long-term borrowings due within one year *(Note XVII, 7)*	2,400,164	3,000,181
Long-term borrowings due after one year	439,080	439,080

For the six months ended 30 June 2026, the weighted average interest rate of long-term borrowings was 4.86% per annum (For the six months ended 30 June 2025:4.43% per annum). As at 30 June 2026, there were no significant long-term borrowings overdue but not yet paid.

9. Operating income and operating costs

(1) Operating income and operating costs

RMB'000

Items	For the six months ended 30 June 2026 (unaudited)		For the six months ended 30 June 2025 (unaudited)	
	Revenue	Cost	Revenue	Cost
Principal operating activities	396,904	393,642	971,838	970,815
Other operating activities	3,294	–	–	–
Total	400,198	393,642	971,838	970,815

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

9. Operating income and operating costs (Continued)

(2) Breakdown of operating income

(a) Classified by industry

RMB'000

Items	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Engineering contracting	396,904	971,838
Total	396,904	971,838

(b) Classified by geographic location

RMB'000

Items	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Revenue from other countries	396,904	971,838
Total	396,904	971,838

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

9. Operating income and operating costs (Continued)

(3) As at 30 June 2026, information of major customers whose revenue accounts for 10% or more of the total revenue is as follows(unaudited):

RMB'000

Items	Relationship with the Company	Operating income	As a percentage of total operating income of the Company (%)
Party 1	Third party	264,013	65.97
Party 2	Third party	96,591	24.14
Total	/	360,604	90.11

The project contracting services provided by the Company usually constitute a single performance obligation as a whole and are performance obligations performed within a certain period of time. As at 30 June 2026, some of the Company's project contracting service contracts are still in the process of implementation. The trading price allocated to non-implemented (or partly non-implemented) performance obligations is related to the performance progress of each project contracting service contract. It will be recognised as revenue within the future performance period of each project contracting service contract according to the performance progress.

Among the above operating income, revenue from contracts with customers was RMB400,198,000 (for the year ended 30 June 2025: RMB971,838,000).

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

10. Investment income

RMB'000

Items	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Income from investments in subsidiaries	**5,973,626**	200,000
Investment income/(loss) from long-term equity investments under equity method	**5,597**	(3,767)
Others	**3,339**	(82)
Total	**5,982,562**	196,151

There is no significant restriction of investment income repatriation to the Company.

11. Losses on credit impairment

RMB'000

Items	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Credit impairment losses of accounts receivable	**(1,809)**	(3,943)
Credit impairment losses of other receivables	**(5)**	(3)
Total	**(1,814)**	(3,946)

XVII. NOTES TO KEY ITEMS IN THE COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

12. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

RMB'000

Supplementary information	For the six months ended 30 June 2026 (unaudited)	For the six months ended 30 June 2025 (unaudited)
Reconciliation of net profit to cash flows from operating activities:		
Net profit	**5,852,527**	262,026
Add: Impairment losses of credit	**1,814**	3,946
Impairment losses of assets	**226**	7,454
Depreciation of fixed assets and right-of-use assets	**11,177**	11,465
Amortisation of intangible assets	**2,428**	648
Losses on retirement of fixed assets	**68**	58
(Gains)/Losses on changes in fair value	**(25,560)**	43,704
Financial expenses	**9,508**	(201,750)
Investment income	**(5,982,562)**	(196,151)
Decrease in inventories	**–**	39
Decrease/(Increase) in contract assets	**81,751**	(255,228)
Decrease in contract liabilities	**(138,125)**	(124,820)
Decrease in operating receivables	**321,864**	91,030
(Decrease)/Increase in operating payables	**(285,169)**	267,714
Net cash flow used in operating activities	**(150,053)**	(89,865)
Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	**14,785,423**	3,973,147
Less: Opening balance of cash and cash equivalents	**23,228,983**	8,354,373
Net decrease in cash and cash equivalents	**(8,443,560)**	(4,381,226)

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

12. Supplementary information to the cash flow statement (Continued)

(2) Composition of cash and cash equivalents

RMB'000

Items	30 June 2026 (unaudited)	31 December 2025
Cash	14,785,423	23,228,983
Including: Cash on hand	35	37
Bank deposits that are readily available for payment	14,785,388	23,228,946
Closing balance of cash and cash equivalents	14,785,423	23,228,983

XVIII. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

RMB'000

Items	Amount (unaudit)
Profit or loss on disposal of non-current assets, including the write-off portion of the asset impairment provision already made	18,057
Government grants recognised in profit or loss (other than those closely related to business, in line with the national regulations, available under established standards and having a continuous impact on profit or loss)	140,493
Profit or loss on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on disposal of financial assets and financial liabilities, other than those used in the effective hedging activities relating to the Company's normal businesses	29,846
Income from non-financial institutions for occupation of funds and recognised in profit or loss	75,992
Reversal of provision for receivables that are tested for impairment losses individually	394,110
Profit or loss from debt restructuring	51,725
Other non-operating income and expenses other than the above	86,706
Tax effects	(125,799)
Effect attributable to minority interests, net of tax	(52,334)
Total	618,796

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

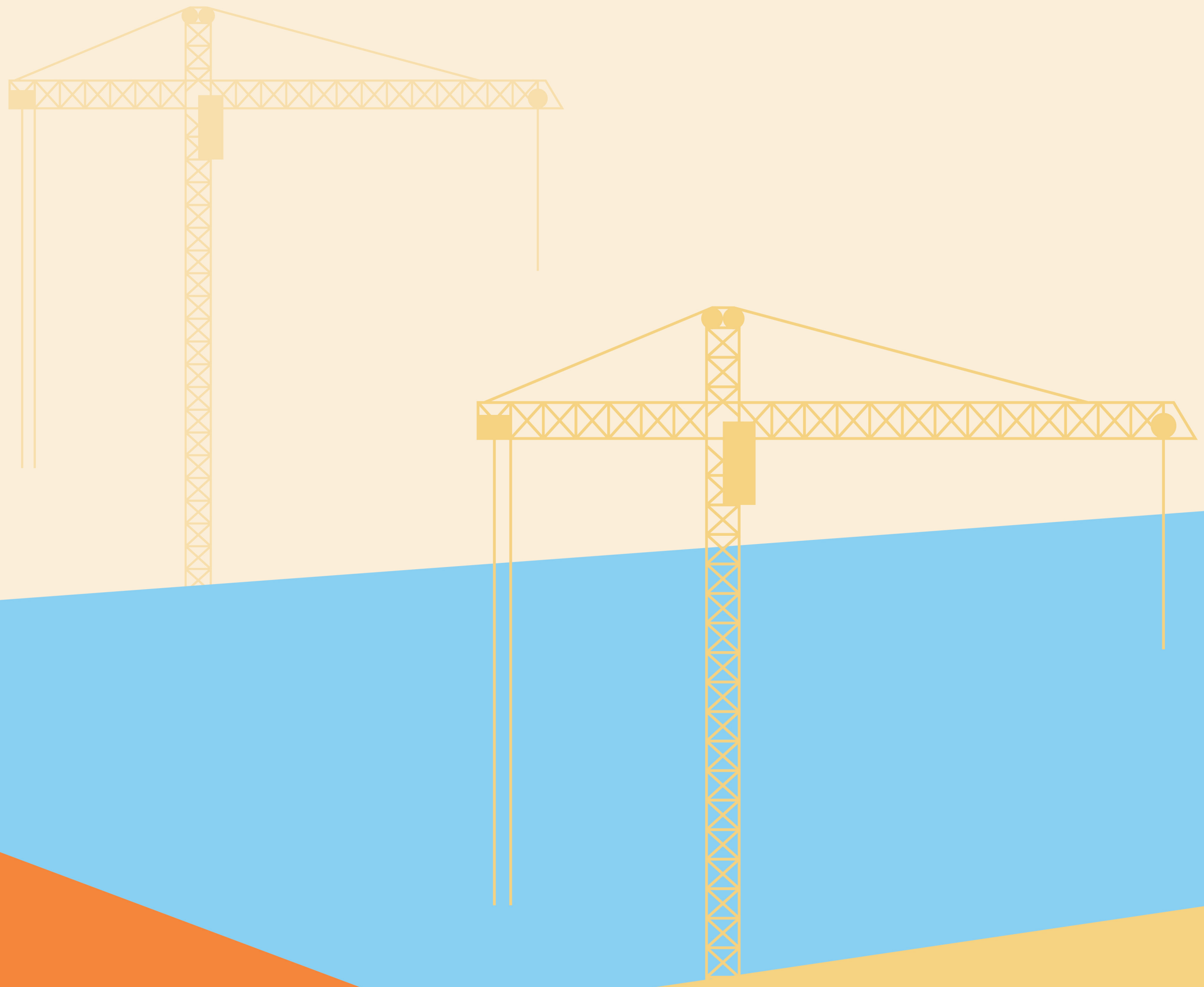
2. Return on net assets and earnings per share ("EPS")

For the six months ended 30 June 2026(unaudited):

Profit for the reporting period	Weighted average return on net assets (%)	EPS (Unit: RMB) Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	0.97	0.05	0.05
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	0.37	0.02	0.02

The above weighted average return on net assets and EPS are calculated according to the formulas provided in the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised in 2010) issued by China Securities Regulatory Commission.

Chairman: Li Zhongze
Approval date by the board of directors: August 28, 2026



Tel : + 86-10-5986 8666
Fax : + 86-10-5986-9033
Postal Code : 100028
E-mail : ir@mccchina.com
Website : www.mccchina.com
Address : MCC Tower, No. 28 Shuguang Xili, Chaoyang District, Beijing, China