

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **METALLURGICAL CORPORATION OF CHINA LTD. \***

### **中國冶金科工股份有限公司**

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

(Stock Code: 1618)

## **2024 INTERIM RESULTS ANNOUNCEMENT**

### **OVERVIEW**

The Company's financial position as at 30 June 2024 and the operating results for the six months ended 30 June 2024 were as follows:

- Operating revenue amounted to RMB298,842 million, representing a decrease of RMB35,617 million or 10.65% from RMB334,459 million in the first half of 2023.
- Net profit amounted to RMB4,701 million, representing a decrease of RMB3,978 million or 45.84% from RMB8,679 million in the first half of 2023.
- Net profit attributable to the Shareholders of the listed company amounted to RMB4,150 million, representing a decrease of RMB3,068 million or 42.50% from RMB7,218 million in the first half of 2023.
- Basic earnings per share amounted to RMB0.11, while the basic earnings per share in the first half of 2023 amounted to RMB0.26.
- As at 30 June 2024, total assets amounted to RMB755,551 million, representing an increase of RMB93,949 million or 14.20% from RMB661,602 million as at 31 December 2023.
- As at 30 June 2024, the Shareholders' equity amounted to RMB170,055 million, representing an increase of RMB2,064 million or 1.23% from RMB167,991 million as at 31 December 2023.
- The value of newly signed contracts amounted to RMB677,797 million, representing a decrease of RMB44,094 million or 6.11% from RMB721,891 million in the first half of 2023.

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

## I. CHAIRMAN’S STATEMENT

Dear Shareholders,

In the first half of 2024, MCC adhered to the guidance of the socialist ideology of Xi Jinping with Chinese characteristics in the new era, anchored the Goals for “one building, two most, five strong”, rose to the challenge, took active actions, and continuously consolidated the foundation for high-quality development of listed companies. On behalf of the Board of Directors of the Company, I hereby present MCC’s 2024 interim results announcement, and express heartfelt gratitude to friends from all walks of life who have long supported and cared about the Company’s reform and development!

During the Reporting Period, the Company secured new contracts valued at RMB677,797 million, operating revenue of RMB298,842 million, and total profit of RMB5,681 million, of which the net profit attributable to Shareholders of the listed company was RMB4,150 million. Significant breakthroughs and improvements have been achieved in overseas markets, with stable profits generated from mineral resources, water and environmental protection businesses, fully demonstrating the expected development resilience and unique business structure advantages of MCC.

We insist on putting the market first and daring to fight. We put our attentions on the system to establish mechanisms, and took the “Five Linkages” as the starting point to build a joint fleet, fully stimulating the differentiated competitive advantages of the integration of the entire industry chain and EPC general contracting. We signed a contract worth RMB10 billion for the Dashihe molybdenum mine project in the domestic market under a new model of overall management, which has provided new ideas for mining construction and resource development business expansion; successfully signed a series of large-scale metallurgical construction projects in overseas markets, among which the Bolivian Zinc Smelting project is the largest and highest investment non-ferrous metallurgical project developed in Bolivia in decades; won the bid for Sentosa Resort World Seaside Hotel project in Singapore, another major breakthrough in the field of global cultural and tourism comprehensive projects after the successful implementation of a series of landmark projects such as Universal Studios EPC by the Company in Singapore. A large number of influential projects are flourishing in both domestic and international markets. Up to present, a total of 149 projects have won the China Construction Engineering Luban Award, 318 projects have won the National Quality Engineering Award, and 32 projects have won the China Civil Engineering Zhan Tianyou Award. The brand influence and market competitiveness of MCC are fully demonstrated.

We emphasize innovation driven and cultivate excellence and innovation. We adhere to the “four orientations”, focus on the Company’s main business, increase investment in research and development of “fundamental, urgent, cutting-edge, and disruptive technologies” around the direction of further transformation and upgrading, strengthen the tackling of major research and development projects, focus on optimizing the layout of future industries and new industries, accelerate the construction of “single champion” and “specialized, refined, excellent and new” clusters, lead industrial innovation with technological innovation, and cultivate and develop new quality productivity according to local conditions. In the first half of the year, three scientific and technological achievements from WISDRI, China ENFI, and CRIBC won the second prize of the National Science and Technology Award. We won another national level manufacturing industry champion. Nine “science and technology reform enterprises” and “double hundred enterprises” have achieved outstanding results in the special assessment of the SASAC. We have accumulated 28 national level scientific and technological research and development platforms, with over 53,000 valid patents. We have won 88 Chinese patent awards since 2009, and won 58 national science and technology awards and published 77 international standards and 673 national standards since 2000.

We strengthen the “four simplifications” and “five strengths”, and strive for lean and intensive practices. Focusing on the three elements of system, institution, and personnel, we strive to build a “four simplicity” enterprise with “concise system, simple process, simple relationship, and simple style”, highlighting the need for “maintaining determination, exploring potential, improving capabilities, enhancing vitality, and forming synergy” in the medium and long-term development of the enterprises. We always adhere to the same efforts in development and management, continuously consolidate and optimize the business system of “One Core, Two Main Bodies and Five Features”, promote the three-year action plan for improving basic management, further optimize regional layout, focus on promoting the rational allocation of internal and external resources, and firmly establish the idea of “tight life” to reduce costs, save expenses, and improve quality and efficiency, moving towards lean and intensive management.

In the face of the severe market situation in the construction industry, the Company has always maintained strategic determination, grasped the work of “two excellences and one control” and “three grasps and one prevention”, and made every effort to reduce leverage and “two funds” and prevent risks. While maintaining a reasonable development speed, we have paid more attention to improving the quality of operation, firmly shouldered the responsibility of central enterprises to stabilize the growth, and contributed to consolidating the positive trend of economic operation and maintaining social stability.

Time engraves the footprints of struggle, and writes the glorious chapter of hard work. In the new era and new journey, MCC will always take the attitude of “success does not necessarily depend on any individual, but every one of us contributes to the success (功成不必在我，功成必定有我)”, take the thought of socialism of Xi Jinping with Chinese characteristics for a new era as the guideline, under the leadership of the CPC Central Committee with comrade Xi Jinping as the core, deeply implement the “five core essentials”, forge ahead courageously towards the Goals for “one building, two most, five strong”, continue to comprehensively deepen reform, make good use of the “two ways” and play the “three roles” in promoting the construction of a modern industrial system and building a new development pattern, and contribute to the construction of Chinese path to modernization.

Chairman: Chen Jianguang

## II. BUSINESS OVERVIEW

### (I) Explanation of the Industry that the Company engages in and Principal Operating Business during the Reporting Period

As a super large comprehensive construction group, MCC continues to consolidate and improve its traditional advantageous industries, optimise its professional technical capabilities, continuously extend its industrial chain, actively expand emerging businesses, and has gradually formed a diversified business structure mainly dominated by “One Core, Two Main Bodies and Five Features” with metallurgical construction as the “Core”, housing construction and municipal infrastructure as the “Main Bodies”, and mineral resources, inspection and testing, metallurgical equipment manufacturing, new energy materials and water and environmental protection as the “Features”.

#### 1. *Engineering Contracting Business*

##### (1) *Industry Overview*

In the field of metallurgy, with the increasing constraints of international energy, resource and environment, the “global decarbonisation agenda” has a profound impact on the global iron and steel industry. On the one hand, the iron and steel industry, as a basic industry of the national economy, has demonstrated strong development resilience, and the overall iron and steel production has remained stable, providing strong support for the demand of the national economy; on the other hand, the iron and steel industry is still facing many development challenges, mainly from the increasingly prominent supply-demand contradiction, the expansion of industry losses in the industry, the faster release of production capacity, and the relative weakness of social expectations. Overall, the iron and steel industry is in a critical period of green and low-carbon restructuring and development, and it is still necessary to insist on optimising supply and demand as well as capacity management, promoting the industry’s transformation and upgrading to high-end, green and intelligent, and continuously promoting the upgrading and iteration of the industrial chain.

In the field of housing and infrastructure construction, the process of China’s new industrialisation and new urbanisation has accelerated. In the first half of 2024, the adjustment in the new housing market across China has been under progress in overall, with greater downward pressure on the market. Macro policies

focused on ‘stabilising the market’ and “destocking”, and policy measures were proposed to optimise incremental housing, with the second-hand property market taking the lead in some core cities showing signs of improvement. Supporting policies for the construction of the ‘three major projects’, such as protected housing, renovation of inner-city villages, and the construction of public infrastructure for “dual use in normal and emergency situations”, are being implemented at an accelerated pace, and has played a positive role in stabilising investment. In terms of expanding effective investment, many places have announced plans for the issuance of special bonds by local governments, and the use of special bonds, ultra-long special treasury bonds and other funds will accelerate the implementation of a large number of major infrastructure projects, providing favourable support for the development of the housing and municipal infrastructure construction market. With the acceleration of global infrastructure construction, the demand for foreign engineering contracting market continues to grow, especially, under the impetus of the Belt and Road Initiative, the demand for infrastructure construction in emerging markets and developing countries has surged, providing a broad space for development of the foreign engineering contracting industry.

## *(2) Operating Results of the Segment Business*

### *① Metallurgical construction business*

Metallurgical construction business is the “Core” of the “One Core, Two Main Bodies and Five Features” business system and the traditional core business of the Company. As the ‘national team’ of China’s iron and steel industry, the world’s largest and strongest metallurgical construction contractor and operation service provider in metallurgical corporations, the Company, relying on the integration advantages of metallurgical engineering consultation, survey, design and construction of the whole industrial chain, occupies an absolutely dominant position in the field of metallurgical construction, and is a leading enterprise in the metallurgical construction field. During the Reporting Period, the Company continued to maintain its absolute leading position in the metallurgical construction market, and won a series of large-scale and high-end metallurgical projects, including the bidding of the green low carbon hydrogen metallurgy project of Shanxi Jingang Smart Technology Industrial Co., Ltd. (山西晉鋼智造科技實業有限公司綠色低碳氫冶金



項目) to provide professional services for the enterprise's green and low-carbon transformation; and the bidding of the 2 Million Tons/Year Circular Economy Comprehensive Utilization Coal Coking Project in Shuicheng District of Guizhou Energy (貴州能源水城200萬噸/年循環經濟綜合利用煤焦化項目), which will effectively promote the local coal coking project in circular economy industry chain after the completion of the project. In the overseas metallurgical construction market, the Company successfully signed a contract for zinc smelting project in Bolivia, which is the non-ferrous metallurgical project with the largest processing scale and the highest investment in Bolivia over the past decades, further expanding the Company's business blueprint in the overseas metallurgical construction market. Besides, the Company adhered to high-end, intelligent and green development and took the lead in building an industry-wide steel low-carbon service platform; continued to focus on intensifying efforts to tackle key problems in the iron and steel industry, focused on opening the "channel" from technological innovation to industrial innovation, and constantly created new advantages in advanced technology, green development, intelligent manufacturing, and other aspects to develop new quality productive forces and build a new engine. During the Reporting Period, the Company's metallurgical construction business achieved operating revenue of RMB56,706 million, accounting for 20.44% of the total revenue of engineering contracting.

② Housing and municipal infrastructure construction business

Housing construction and municipal infrastructure construction business are the two major businesses of the Company. In recent years, the Company has adhered to the development concept of "removing low-end, consolidating mid-range, and expanding high-end" in housing construction, and has continued to focus on segmented markets such as large-scale venue construction, comprehensive development of large cities, and cultural, educational, and health construction; in municipal infrastructure construction, the Company actively integrates and serves national strategies, seizes opportunities for basic construction development, and continuously expands and enhances its market share in infrastructure business. During the Reporting Period, the Company grasped the policy opportunities in the fields of "Three Major Projects", "New Infrastructure and New Urbanisation Initiatives",

“Major Implementation and Key Construction”, real estate, etc., actively promoted the effective measures of the “Five Linkages” of marketing, and further advanced its core competitiveness to a new level by giving full play to its advantages in the whole industrial chain of consulting, planning, surveying, design, investment, construction, and operation. It undertook a large number of landmark projects with significant influence, mainly including the Project for the Development of Chengdong Area of Yongqiao District, Suzhou City (宿州市埇橋區域東片區開發項目), Urban Renewal and Construction Project in Wujiagang District, Yichang City (宜昌市伍家崗區城市更新建設項目), Zhengzhou Central Digital District (CDD) Construction Project (鄭州中央數字區(CDD)建設項目), Zhengzhou Zhongyuan High Speed Railway Port Digital Trade and Exhibition City Project (鄭州市中原高鐵港數字展貿城項目), and other large-scale housing construction projects; it successfully signed contracts with Jingdong Shenzhen Headquarters Building Project (京東深圳總部大廈工程), Tencent Music Technology Building Project (騰訊音樂科技大廈工程) and other super high-rise landmark projects, as well as Beijing Rail Transit Line 22 (Pinggu Line) construction project (北京軌道交通22號線(平谷線)工程施工項目), Hangzhou Bolu to Renhe Section (Yuhang Section) of National Highway 320 Project (320國道杭州博陸至仁和段工程(餘杭段)項目) and other major projects. In overseas markets, the Company has successfully won the bid for EPC project for the design and construction of Sentosa Resort World Seaside Hotel in Singapore, which marks another large-scale landmark cultural and tourism project undertaken by the Company in Singapore following the successful completion of projects such as Universal Studios Singapore, Maritime Experiential Museum in Singapore and Minion Land, and fully demonstrates the high recognition of the Company’s high-quality design and construction capabilities. During the Reporting Period, the Company’s housing construction and municipal infrastructure construction business achieved operating revenue of RMB216,758 million, accounting for 78.15% of the total revenue of engineering contracting.



In the first half of 2024, the Company's newly-signed contracts for metallurgical construction amounted to RMB101.94 billion, accounting for 16.3% of the newly-signed engineering construction contracts; the newly-signed contracts for housing construction and municipal infrastructure amounted to RMB413.52 billion, accounting for 66.3% of the newly-signed engineering construction contracts; the newly-signed industrial manufacturing and other works amounted to RMB108.49 billion, accounting for 17.4% of the newly-signed engineering construction contracts. The newly awarded and signed major projects are as follows:

No.	Name of Project (Contract)	Contractual Amount (RMB'00 million)
<b>Metallurgical Construction Projects</b>		
1	General Contracting Agreement for Green Low Carbon Hydrogen Metallurgy Project of Shanxi Jingang Smart Technology Industrial Co., Ltd. (山西晉鋼智造科技實業有限公司綠色低碳氫冶金項目總承包協議)	22.0
2	EPC Contract for 2 Million Tons/Year Circular Economy Comprehensive Utilization Coal Coking Project in Shuicheng District of Guizhou Energy (貴州能源水城200萬噸/年循環經濟綜合利用煤焦化項目EPC總承包工程合同)	21.1
3	Fujian Qingtuo Stainless Steel Medium and Thick Plate Project (福建青拓不銹鋼中厚板項目)	13.3
4	Main Body Engineering Project Contract for CSP Renovation at Carbon Thin Plant of Jiuquan Iron & Steel in Jiayuguan City (嘉峪關市酒鋼碳薄廠CSP改造主體工程項目合同)	13.1
5	Sintering Flue Gas Treatment Efficiency Improvement Project of Tangshan Wenfeng Special Steel Co., Ltd.* (唐山文豐特鋼有限公司燒結煙氣處理提效改造項目)	12.0
6	Equipment Procurement and Construction Contract for 2 Million Tons Coking Project of Junping Coking of Yellow River Group in Wuhai City (烏海市黃河集團駿平焦化200萬噸焦化工程設備採購及施工合同)	12.0
7	Engineering Contract for EMV Zinc Smelting Project in Bolivia (玻利維亞EMV鋅冶煉項目工程承包合同)	11.8
8	Section I of Ultra-high Grade Oriented Silicon Steel Green Manufacturing Demonstration Project in Shanghai (上海市超高等級取向硅鋼綠色製造示範項目標段一)	10.7

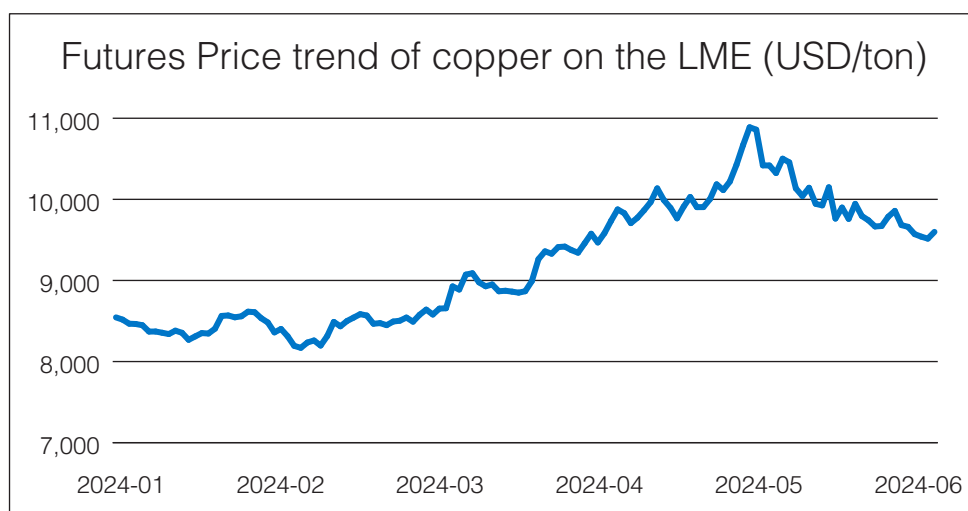
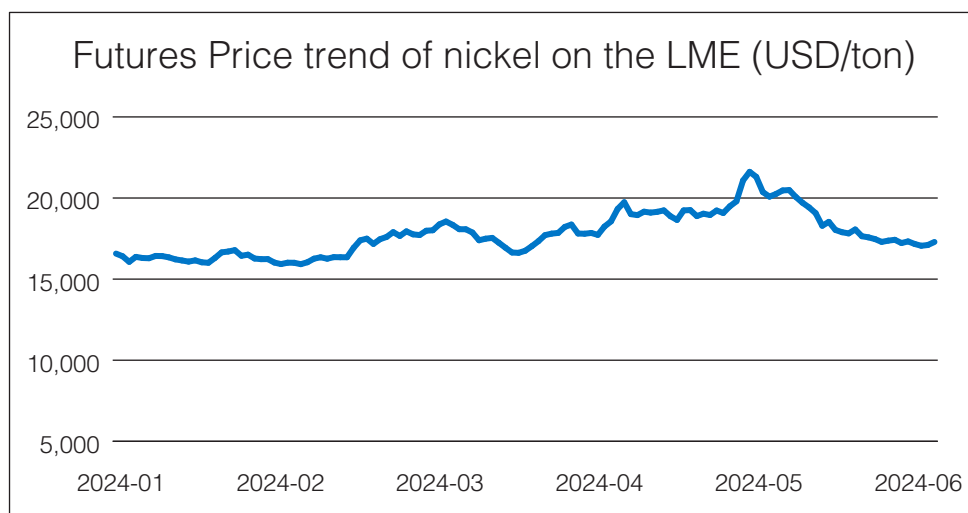
No.	Name of Project (Contract)	Contractual Amount (RMB'00 million)
<b>Housing Construction Projects</b>		
1	Contract for General Contracting Project for the Development of Chengdong Area of Yongqiao District, Suzhou City (宿州市埇橋區城東片區開發項目一包合同)	59.7
2	EPC Engineering Contract for Zhengzhou Central Digital District (CDD) Construction Project (鄭州中央數字區(CDD)建設項目EPC工程合同)	58.7
3	EPC Contract for Zhongyuan High Speed Railway Port Digital Trade and Exhibition City Project in Zhengzhou (鄭州市中原高鐵路數字展貿城項目工程總承包(EPC)合同)	33.5
4	Urban Renewal and Construction Project in Wujiagang District, Yichang City (宜昌市伍家崗區城市更新建設項目)	31.4
5	Fuzhou Binjiang Left Bank Project (福州濱江左岸項目)	29.6
6	Youth Community and Entrepreneurship and Innovation Street Project in Tangshan (唐山市青年社區及雙創大街項目)	25.3
7	Shenyang International Smart Health City Project (瀋陽國際智慧健康城項目)	24.2
8	Construction Contract for Project of No. 55 Plot Project in High-Speed Rail Area, Shijiazhuang City (石家莊市高鐵路片區55號地塊項目工程施工合同)	17.9
9	Lanzhou Hightech Zone Feitian Innovation Port –Science and Technology Innovation Demonstration Center Project (蘭州高新區飛天創新港—科技創新示範中心項目)	16.4
10	Renovation Project of Guosangyuan Village Shantytown and its Surrounding Areas in Guangyang District, Langfang City (廊坊市廣陽區郭桑園村棚戶區及周邊改造項目)	14.9
11	General Engineering Contract for Construction of Jingdong Shenzhen Headquarters Building (京東深圳總部大廈施工總承包工程合同)	14.8
12	General Contracting Project of Tencent Music Technology Building (騰訊音樂科技大廈總承包工程)	9.0

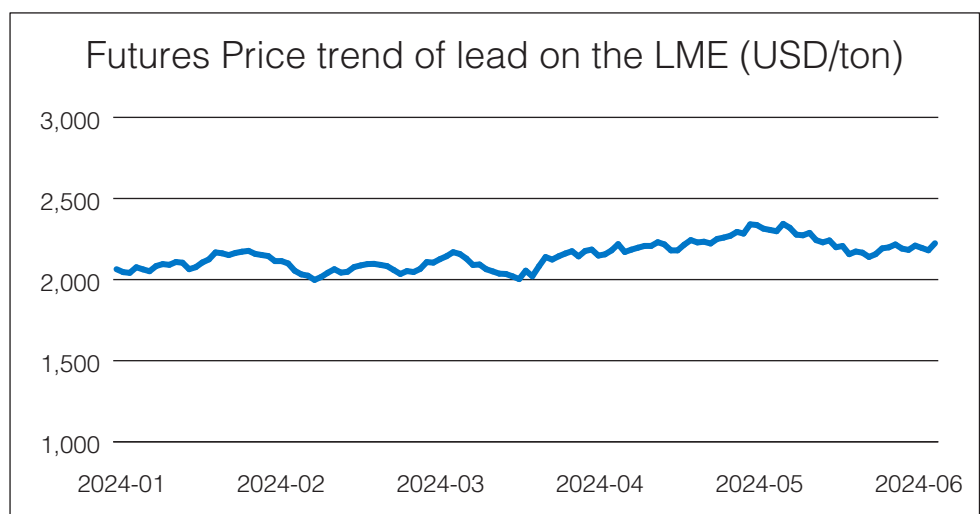
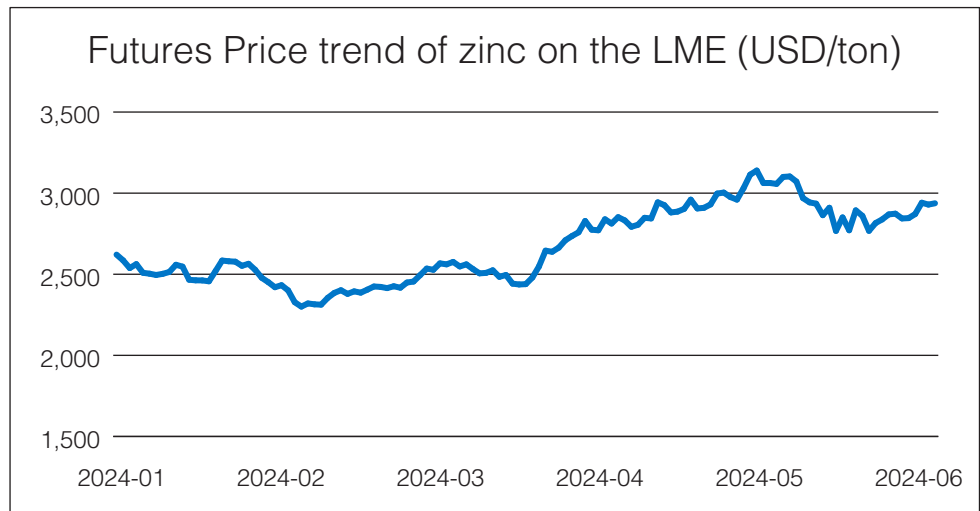
No.	Name of Project (Contract)	Contractual Amount (RMB'00 million)
<b>Municipal Infrastructure Projects</b>		
1	Construction Contract for Zigong to Luzhou Port Highway Engineering Phase II Project (自貢至瀘州港公路工程二期項目施工合同)	23.9
2	EPC Contract for LNG Long-distance Pipeline Project (Penglai-Qixia Expressway – 7# Valve Chest) in West Port of Yantai Port (煙台港西港區 LNG長輸管道工程(蓬棲高速-7#閘室)工程總承包(EPC)合同)	22.8
3	Civil Construction Contract Section 22 (Hebei Section) of Beijing Rail Transit Line 22 (Pinggu Line) Project (北京軌道交通22號線(平谷線)工程土建施工22合同段(河北段)項目)	15.3
4	EPC General Contract for Municipal Infrastructure Construction Project of Panlong River Industrial New City (Tiexi Area) in Zaozhuang City (棗莊市蟠龍河產業新城(鐵西片區)市政基礎設施建設項目EPC總承包合同)	13.3
5	Contract for Section I of Highway from Ying'an Town, Jiang'an County to Gusong Town, Xingwen County in Yibin City (Jiang'an Section) (宜賓市江安縣迎安鎮至興文縣古宋鎮公路(江安段)一標段合同)	11.6
6	Construction Project for TJ03 Section of Hangzhou Bolu to Renhe Section (Yuhang Section) of National Highway 320 (320國道杭州博陸至仁和段工程(餘杭段)第TJ03標段施工項目)	10.4
7	EPC General Contracting and Full Process Consulting Contract for the Second Section of Lianhua Communication Shangqiu 5G Communication Base Station Project (聯華通信商丘5G通信基站項目EPC總承包及全過程諮詢第二標段合同)	10.1
8	Engineering General Contract for the Reserved Small Garage for Development of Cover Plate in Yanjiao Vehicle Base of Beijing Metro Line 22 (北京軌道交通22號線燕郊車輛基地蓋板開發預留小車庫項目施工總承包工程合同)	10.0
<b>Industrial Manufacturing and Other Projects</b>		
1	Overall Management Project of Dashi River Molybdenum Mine (大石河鉬礦整體管理項目)	126.1
2	EPC (Production and Processing Portion) Contract for Section II of General Contracting for Design, Construction, Equipment Procurement for 300,000 tonnes per annum of Calcium Carbonate Series Products Project in Panzhou, Liupanshui City, Guizhou Province (貴州省六盤水市盤州市年產30萬噸碳酸鈣系列產品項目設計、施工、設備採購總承包二標(EPC)總承包(生產加工部分)合同)	24.4
3	EPC Contract for the Design and Construction of the Industrialization Project of Distributed Intelligent Energy Storage and Exchange System in Xiangxi Tujia and Miao Autonomous Prefecture (湘西土家族苗族自治州分佈式智能儲能交換系統產業化項目設計施工總承包(EPC)合同)	22.4
4	Contract for Steel Structure Supply and Installation Subcontracted Work of CEER Electric Vehicle Manufacturing Plant Project in Saudi Arabia (沙特CEER電動汽車製造廠項目鋼結構供貨與安裝分包工程合同)	21.1

## 2. Resource Development Business

### (1) Industry Overview

In the first half of 2024, non-ferrous metal prices fluctuated within a wide range, the price center in the second quarter was higher than that in the first quarter, and the price trend of different metal varieties shows significant divergence. The average prices of nickel, copper, zinc and lead on the London Metal Exchange for the first half of the year 2024 were USD17,741/ton, USD9,201/ton, USD2,674/ton and USD2,149/ton respectively, representing a decrease of 26.7%, an increase of 5.7%, a decrease of 5.7% and an increase of 0.9% respectively as compared with the first half of the year 2023.





*Source: Royal Flush Info*

In respect of new silicon-based materials, the semi-conductor industry showed positive development in terms of market size, technological advancement, market demand, policy environment and future outlook in 2024. The memory chip industry is expected to achieve double-digit growth, which will further promote the market demand for semi-conductor silicon-based materials.

## *(2) Operating Results of the Segment Business*

The Company's resource development business included mine development and resource processing. The Company is engaged in the mine development business, which mainly centers on the exploration, mining, ore processing and smelting etc. for nickel, cobalt, copper, lead, zinc and other metal mineral resources, and most of the products produced, such as nickel and cobalt hydroxide, crude copper, zinc concentrates, lead concentrates, and so on, are transported back to China for sale to the downstream refining and processing customers in a stable manner. The Company is engaged in the resource processing business mainly for the production of new energy materials such as polysilicon. The Company regards the production of new energy materials such as polysilicon as one of the strategic emerging businesses which the Company mainly cultivates and taps into. The subsidiary of the Company, Sinosico, takes "serving the country in silicon industry" as its mission, gives full play to decades of experience and advantages in the field of polysilicon R&D and manufacturing, and is committed to following a continuous improvement path of self-innovation, industrial development, and optimization and upgrading, aiming to become a technological innovator in the polysilicon industry.

During the Reporting Period, the Company strove to improve the development and operation level of its own mineral resources by closely focusing on the development goal of "increasing resources, increasing reserves, increasing production, preventing risks, ensuring safety and reducing costs". On the one hand, the Company responded to the changes in the market environment in a positive and steady manner on the premise of ensuring zero accidents in terms of safety and environmental protection, and adhered to the operational policy that features "prompt digging with efficient sales based on best production for sales" to achieve high profitability in the three mines in production; on the other hand, by focusing on exploration and prospecting and relying on internal synergy and guaranteed by external cooperation, the Company, taking "prospecting for minerals" as the principle, has continuously increased its investment in risk exploration and side-deep prospecting for minerals, which has made further significant breakthroughs in mineral searching, revealing huge potential for finding minerals. During the Reporting Period, the Company's resource development business achieved operating revenue of RMB3,292 million.



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

① Papua New Guinea Ramu Nico Mine Project

During the Reporting Period, benefiting from the exploration and mining results within the scope of the exploration right, the estimated retained nickel resources of the project increased to 1.402 million tons and cobalt resources increased to 158,000 tons. In the first half of 2024, due to the impact of overhaul of two high-pressure acid leaching series, the production rate slightly decreased compared to the same period last year. The project cumulatively produced nickel hydroxide, which contained 15,837 tons of nickel and 1,442 tons of cobalt, with an average production rate of 97.2%. The project sold nickel hydroxide, which contained 16,531 tons of nickel and 1,506 tons of cobalt, achieving operating revenue of RMB1.57 billion and net profit attributable to the Chinese party of RMB257 million.

② Pakistan Duddar Lead-Zinc Mine Project

During the Reporting Period, it was estimated to extract 327,000 tons of lead resources and 665,000 tons of zinc resources under the project. It is accelerating the commencement of supplementary exploration work in the northern part of the mine area, which is expected to achieve a significant increase in lead and zinc resources. In the first half of 2024, the project accomplished 264,000 tons of mine output, with an average production rate of 105.6%. The project cumulatively produced lead concentrates containing 4,421 tons of lead and zinc concentrates containing 22,153 tons of zinc. The project sold lead concentrates containing 4,127 tons of lead and zinc concentrates containing 23,567 tons of zinc, achieving operating revenue of RMB370 million and net profit attributable to the Chinese party of RMB101 million.

③ Pakistan Saindak Copper-Gold Mine Project

During the Reporting Period, it was estimated to extract 1.822 million tons of copper resources under the project. In the first half of 2024, the project maintained normal and continuous production in mining and processing, with the newly-built 2.75 million tons/year ore processing plant commencing operation on 9 January. The project resumed crude copper smelting and refining production on 2 February. As of the end of June, it has produced an aggregate of 11,423 tons of crude copper, with an average production rate of 114.2%, and sold 11,031 tons of crude copper, achieving operating revenue of RMB810 million and net profit attributable to the Chinese party of RMB68 million.

④ Pakistan Saindak Copper Mine Project

During the Reporting Period, the exploration team of the project persisted in the natural environment of the Gobi desert, struggled under poor production and living conditions, and continued to promote all the work in the early stage of the project exploration and development. It is expected that there is a good prospect of increasing reserves and increasing production. The Company will continue to carry out the exploration and prospecting at the Pakistan Saindak Copper Mine Project, and scientifically carry out project feasibility study and related experimental research.

⑤ Afghanistan Aynak Copper Mine Project

During the Reporting Period, the project carried out Phase II supplementary exploration in the West Mining Area, further improving the resource grade under the West Mining Area. It is expected that the copper resources will grow further on the basis of existing 11.08 million tons. The Company is in the process of communicating and negotiating with the interim government of Afghanistan on the protection of cultural relics and the development plan for the project with positive progress being made, and plans to accelerate the preliminary preparatory work such as the project feasibility studies and the construction of roads into the mine, and to actively create favorable conditions to improve the investment results of the project, so as to ensure that the project can be promoted with the interim government of Afghanistan as early as possible to make actual progress.

⑥ Sinosico Transformation and Upgrading Project of Electronic Information Materials

Sinosico, a subsidiary of the Company, has built a product cluster of key silicon-based materials required for the development of integrated circuits, optical communications and the new energy industry, and currently is implementing the transformation and upgrading project of electronic information materials, which is an “import substitution” project to fill the gaps of high-end silicon-based materials in China. The technology of this project is derived from the results undertaken by Sinosico, such as the National Industrial Base Enhancement Project (國家工業強基工程). With 8 R&D platforms, including 2 state-level innovation platforms, Sinosico has formed continuous R&D capability and independent intellectual property rights, and a number of results were identified to be at the international leading level, with broad business benefits and prospects for development, and is the enterprise with the most complete layout of high-end silicon-based materials in the domestic segment. During the Reporting Period, Sinosico focused on the R&D of 12 new products, with 3 new products entered the pilot stage; Sinosico accumulated sales of 145.68 tons of electronic-grade polysilicon for melting/pulling, 4,630 tons of silicon tetrachloride for optical communication, 402.4 tons of silicon-based electronic special gas, and 7.11 tons of silicon carbide.

**3. *Featured Businesses***

*(1) Industry Overview*

The featured businesses of the Company such as engineering consulting and technical services, core equipment and steel structure, eco-environmental protection and operation have shown a high-quality development trend as a whole, and the proportion of business has been continuously increasing, bringing emerging market opportunities to the Company.

In respect of engineering consulting and technical services, engineering consulting service cover the entire process of engineering construction, with service fees charged based on a certain proportion of the investment scale. Therefore, the industry's market size growth trend is positively correlated with the growth rate of fixed asset investment. Currently, China's economy is transitioning from a high-speed growth phase to a high-quality development phase, providing ample market opportunities for engineering consulting, with the industry forming a new pattern of industry development with precise services, information support, standardized operation and international expansion. It is estimated that by 2025, the total operating revenue of the full-process engineering consulting industry in China will reach RMB577.7 billion. In terms of inspection and testing business, driven by the guiding principle of "inspection first (體檢先行)", it is expected that urban renewal and "inspection" of old houses will have broad market prospects.

In respect of core equipment and steel structure, according to latest report "Global Metallurgical Equipment Market Report 2023-2029" by QYResearch research team, it is estimated that the global metallurgical equipment market will reach USD51.61 billion by 2029, with a compound annual growth rate of 6.7%. Among them, the growth in the metallurgical equipment market will be concentrated in countries and regions such as India, ASEAN, and the Middle East, and the market for equipment renovation and upgrades will primarily focus on Europe, North America, and Russia, presenting significant market opportunities for the Company's metallurgical equipment manufacturing and exports. In terms of steel structure business, in accordance with the 14th Five-Year Plan and Long-Range Objectives for 2035 for the Steel Structure Industry released by the China Steel Construction Society, by the end of 2025, the national consumption of steel structure will reach around 140 million tons, with steel structure buildings accounting for over 15% of new construction area. By 2035, the application of steel structure in national construction will reach the level of moderately developed countries, with an annual consumption of steel structure exceeding 200 million tons, accounting for over 25% of crude steel production. The proportion of steel structure buildings in new construction area will gradually reach 40%, aiming to basically achieve intelligent construction of steel structure. The domestic steel structure market is showing a year-on-year growth trend, with broad prospects for future development.

In respect of eco-environmental protection, the market scale has been expanded and the release of market space has been accelerated with the successive introduction and improvement of national and local supportive policies and regulations. According to the “Action Plan for Accelerating the Promotion of High-quality Development of the Ecological and Environmental Protection Industry and Deepening the Battle of Pollution Prevention and Control to Fully Support the Carbon Peak and Carbon Neutrality (2021–2030)” issued by the China Association of Environmental Protection Industry, it is clear that, by 2025, the compound annual growth rate of operating revenue on ecological and environmental protection industry shall not be less than 10%, which the blacksmell water treatment, rural wastewater treatment, solid waste pollution prevention and control, as well as environmental protection monitoring and other segments will usher in a new era of development opportunities. By 2025, the operating revenue from the industry is expected to exceed RMB3 trillion.

(2) *Operating Results of the Segment Business*

① Engineering consulting and technical services business

In engineering consulting and technical services, the Company keeps on exerting its core advantages as “high-end consulting leading + design innovation” by focusing on the high-end service market, anchoring on the positioning of greening and intelligence represented by hydrometallurgy, digital intelligence, low-carbon development, and new-type energy storage to create industry benchmarks and a unique development path. Adhering to the whole process consulting to high-end, systematic and characteristic direction, the Company implanted ultimate energy efficiency, green low-carbon and intelligent manufacturing technologies into the project to build a new benchmark in the professional areas, successfully shaping the featured brands such as “MCC Inspection” and “MCC Consulting”, etc.. During the Reporting Period, the Company’s engineering consulting and technical services business achieved operating revenue of RMB1,644 million.

## ② Core equipment and steel structure business

With the core equipment and steel structure business as the “solidified stabilizer” of the national team for metallurgical construction, the business of the Company, relying on multiple subordinate core manufacturing bases, mainly includes metallurgical equipment core manufacturing and assembly integration, and manufacturing business of components for ultra-high-rise, municipal, bridges, marine and other high-end steel structures, complex industrial steel structure, residential industrialization, prefabricated housing, etc.. After years of development, the Company has largely acquired the coordinating and manufacturing capability for most equipment throughout the entire process of steel engineering construction.

The Company’s core equipment business focuses on metallurgical equipment, and operates in multiple core manufacturing bases including CISDI Equipment Base, MCC-SFRE Equipment Base, CIE Heavy Industry Base, and WISDRI Equipment Base, with products covering key process equipment of metallurgy such as sintering and pelletizing, iron-making and steel-making, casting and rolling. The Company’s “MCC Heavy Machinery” provides professional metallurgical large logistics equipment for the metallurgical market, and has formed a metallurgical large logistics equipment cluster represented by pot carriers, environmentally-friendly welded slag cars, charging cranes and other special equipment, and its brand products have covered 68 domestic and foreign non-ferrous metallurgical enterprises. During the Reporting Period, the Company was honored as one of the top 40 non-ferrous metal (equipment and materials) suppliers in China. The brand popularity of the Company’s “MCC Casting Mould” has been improving continuously, and the existing four major products, namely ingot mould, hot extrusion mould, isothermal forging mould and forging press mould, have successfully entered the markets of France, Germany and other developed countries in Europe and America, which have gained wide recognition from the first-class manufacturers in the international arena. MCC South (Wuhan) Thermal Engineering Co., Ltd., a subsidiary of the Company, is in the international leading and domestic first-class level in the field of R&D and manufacturing of metallurgical industrial furnaces, providing important support for the localisation of complete sets of



equipment for metallurgical industrial furnaces in China. It was approved as a national-level specialised and new “Small Giant” enterprise in 2023 and a National-level Single Champion Enterprise of Manufacturing Industry during the Reporting Period.

The Company holds the leading position in comprehensive technology of steel structures in China, and possesses integrated advantages across the entire industry chain encompassing R&D, design, manufacturing, installation, testing and supervision. The Company firmly seized the market opportunities of urbanization construction to develop the united brand of “MCC Steel Structures” in response to the requirements of national fundamental construction for the development of steel structure business. During the Reporting Period, the Company contracted high-end steel structure projects such as the EPC project for the Anhui Wusha High-end Equipment Manufacturing Base (安徽烏沙高端裝備製造基地EPC項目), Steel Structure Processing Project for the Infrastructure Supporting Project at the Linhu Intelligent Manufacturing Industrial Park in Hefei Economic Development Zone (合肥經開區臨湖智能製造產業園及基礎設施配套項目(工程)鋼結構加工項目), Converter Area Facility Construction Project for Integration and Restructuring, Reduction, Replacement, Transformation, and Upgrading Project for the Steelmaking Workshop (Converter Smelting Section) of Tangshan Donghua Steel Group Co., Ltd. (唐山東華鋼鐵企業集團有限公司整合重組減量置換轉型升級項目煉鋼車間工程(轉爐冶煉部分)轉爐區域設施建安項目), and Steel Component Processing Project for the Xiong’an International Trade Center Project (雄安國貿中心項目鋼構件加工項目). During the Reporting Period, the Company’s core equipment and steel structure business achieved operating revenue of RMB6,932 million.

### ③ Eco-environmental protection and operation business

Relying on the brand advantage of “MCC”, the Company built a unique advantage in the eco-environmental protection sector, encompassing a full industry chain including planning and consulting, R&D and design, investment and development, equipment manufacturing, engineering and construction, operation and management, investment and financing services, etc., promoted the integration of eco-environmental protection business, improved resource allocation efficiency, provided regionalized, integrated, full life cycle, comprehensive system solutions, and advanced towards high-end eco-environmental protection business. The Company was committed to create a platform-based technology R&D system and an intelligent high-quality operation system, aiming to establish a technology development landscape oriented towards market demand and efficient operation, and to build a sustainable operational development landscape focusing on quality improvement, efficiency enhancement, high-quality technology and management, and cost leadership.

During the Reporting Period, the Company actively built the brand of “MCC Environmental Protection”, intensified its efforts in original technology innovation by completing the preliminary design of a hydrothermal carbonization demonstration project in Chuzhou Area, and established a sludge testing base supported by the demonstration project; successfully passed the acceptance of the project on Upgrading of the Mud Film Symbiosis Process for Sewage Treatment Plants, and obtained 14 new patent authorizations, including 3 invention patents. Meanwhile, in optimizing its business layout, the Company accelerated its exploration and practice of business models in the industrial wastewater and mining wastewater sectors, collaborated comprehensively with well-known enterprises focusing on zero-discharge projects for high-salinity wastewater, established long-term cooperative relationships with professional scientific and research institutes and related local enterprises to actively promote the deep development of the Company’s water market, and was fully committed to serving national regional major strategies and regional coordinated development strategies. During the Reporting Period, the Company’s eco-environmental protection and operation business achieved operating revenue of RMB7,455 million.

#### **4. Comprehensive Real Estate Business**

##### *(1) Industry Overview*

The current real estate market is undergoing significant changes in supply and demand dynamics and is in a phase of adjustment. According to the data of national real estate development investment and sales released by the National Bureau of Statistics for the period from January to June 2024, the national real estate development investment was RMB5.3 trillion, representing a year-on-year decrease of 10.1%; the housing construction area of real estate development enterprises was 7 billion square meters, representing a year-on-year decrease of 12.0%; the new construction area was 380 million square meters, representing a year-on-year decrease of 23.7%; the completed area was 270 million square meters, representing a year-on-year decrease of 21.8%; the sales area of newly built commercial buildings was 480 million square meters, representing a year-on-year decrease of 19.0%; the sales revenue was RMB4.7 trillion, representing a year-on-year decrease of 25.0%; the area for sale was 740 million square meters, representing a year-on-year increase of 15.2%; and the in-place funds for real estate enterprises was RMB5.4 trillion, representing a year-on-year decrease of 22.6%. The effects of the supportive policies for real estate introduced by the local governments in the earlier stage are expected to gradually appear in the second half of the year.

##### *(2) Operating Results of the Segment Business*

During the Reporting Period, the amount invested by the Company in real estate development was RMB4.31 billion, representing a year-on-year decrease of 32.1%; the construction area was 6,968 thousand square meters, representing a year-on-year decrease of 2.7%; of which the new construction area was 1,800 square meters, representing a year-on-year decrease of 99.7%, while completed area was 192 thousand square meters, representing a year-on-year decrease of 48.9%; contracted gross floor area sold amounted to 193 thousand square meters, representing a year-on-year decrease of 45% with contracted sales of RMB3.25 billion, representing a year-on-year decrease of 43.2%; the operating revenue amounted to RMB5,030 million, representing a decrease of 35.39% as compared with that in the corresponding period of last year. As the flagship enterprise in comprehensive real estate sector of the Company, MCC Real Estate has achieved a “AAA” credit rating in corporate credit ratings, reflecting the high recognition of industry organizations and market investors for the comprehensive strength and development prospects of MCC Real Estate.

## II. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Being a founder of metallurgical industry in New China, MCC has accumulated over 70 years of technological experience, forming the core competitiveness for sustainable development, which are reflected in the following aspects:

### ***1. In Respect of Technology Innovation: Possessing Continuously Improving Core Technology Capability and System Integration Capability***

The Company has a complete R&D system of metallurgical engineering technology, construction technology and metallurgical equipment manufacturing technology, owning 12 scientific research, design and survey enterprises and 28 national science and technology R&D platforms, and has the ability to carry out innovative and leading R&D; and has the ability to solve the key technological problems in the main engineering business. Thus, continuously improving its core technical capability and maintaining its technology leadership in the industry. The Company has the ability to continuously promote technology integration and collaborative innovation among different modules, and through strengthening system articulation, the Company constantly improved the automation and precision level, thereby reducing production costs, improving product quality, forming industry-leading patented technologies with independent intellectual property rights that support the core business and dominant products, as well as multi-professional system integration that runs through the whole technological process. The Company is capable of adapting to and creating market demand, so as to consolidate and enhance the status and voice of its main business in the country and the industry.

The Company accumulated core technological advantages penetrating 8 major business fields and 19 business units as well as the technological advantages of the strongest mine construction, mine development and production. The Company also processes with more than a hundred leading core techniques and the ability of constant reformation and innovation. The Company extended such advantage to other fields. After years of accumulation, including the construction of expressways under complex geographic conditions, gigantic deep-foundation pit under special geographic conditions, superhigh-rise building, super-large-span buildings, super-large complex high-precision electrical and mechanical systems, the Company possesses various internationally top-notch techniques in respect of construction field and reaches the leading position nationwide with respect of, among

others, new materials, technologies and techniques in the construction field. In addition, the Company has also formed advanced technology advantages in emerging business sectors such as underground geotechnical engineering and hydrogen storage engineering, and energy-saving and environmental protection sectors such as wastewater treatment, river channel management, comprehensive garbage treatment, and photovoltaic power generation, as well as inspection and testing, and metallurgical equipment manufacturing and other specialty business sectors.

**2. *In Respect of Market Development: Possessing Steadily Improving Market Development Capability and Quality of Marketing***

The Company persistently adhered to high-quality marketing as the leading factor in high-quality development, focusing on “high-quality markets, high-quality customers, high-quality projects”. It continually strengthened the management of major customers and the capacity for public investment, further enhancing its independent marketing capabilities and optimizing the market layout structure. The Company continued to closely keep pace with layout adjustments and industrial upgrading of China’s iron and steel enterprises, seized the market opportunities brought by energy conservation and environmental protection, green manufacturing and smart manufacturing in metallurgical construction, and facilitated further cooperation with key iron and steel enterprises to ensure that MCC’s control and absolute dominance in major iron and steel construction projects remain unchanged, and to continuously march towards the high-end of metallurgical value chain. With the deepening of major customer management, the Company provided customers with customized “one-to-one” high-quality services in a timely manner through a core customer database and a regular communication and visit mechanism. By continuously deepening the connections and cooperation with core customers, the Company has built a high-end cooperation platform for government and enterprises, continued to optimize its marketing system and re-innovate its marketing mode. As the big marketing construction continued to be implemented more deeply, the Company continuously reformed its marketing concepts, innovated its marketing ideas, strengthened its marketing foundation, improved its marketing system, and emphasized the synergy between market development and fulfillment, qualifications, financing, and publicity, creating a multi-dimensional marketing force. It insisted on leading by marketing, anchoring on high-quality development. By leading marketing innovation with conceptual innovation, the Company’s marketing quality continued to improve steadily, and the 1+M+N regional market layout has achieved remarkable results.

### ***3. In Respect of Value Creation: Possessing Its Own Continuously Strengthening Profitability and Project Fulfillment Capability***

The Company adhered to seek progress in stability, improving quality in stability, strictly preventing risks, integrating and balancing, reducing costs and increasing efficiency, and continuously strengthening fine management, thereby enhancing its own profitability and project fulfillment capability.

Firstly, the engineering project management capability was continually enhanced, boosting production fulfillment efficiency and project profitability. The Company prioritized the development of a “grand performance” system, published and advanced the implementation of the “Manual for Project Management”, continually raising the standards of project management in terms of standardization, refinement, and digitalization. It intensified the control over the engineering project fulfillment process, conducted fulfillment inspections on key domestic and international engineering projects, and took major engineering projects as the starting point to bring the level of construction project fulfillment management to new heights. It strengthened project cost control, adhered to the cost leadership strategy, implemented cost control for all staff, all elements and all processes; made full use of its financial sharing center to realize online payment control, and eliminated over-budget, over-settlement and over-ratio payments, thereby significantly improving the level of refined management.

Secondly, the investment system construction was continuously strengthened, aiding the improvement of investment project quality and efficiency. The Company constantly refined the investment approval process, established and optimized the investment committee for preemptive risk control over investment activities. Based on the investment system, it formulated and issued the “Investment and Financing Business Project Management Manual (Trial Implementation)” further optimizing the process for investment and financing projects to promote scientific decision-making. It continued to solidify investment capabilities, enhance accurate budgeting, and improve the allocation effect of investment resources. An investment project initiation mechanism is established to control investment project risks from the source. Focusing on separating investment from construction, it introduces the concept of corporate governance, strengthening investment platforms. It enhances dynamic tracking and post-investment management and operation, applying multiple means, full-cycle, and whole-process control.



Thirdly, the Company continued to implement asset management and cost reduction and efficiency enhancement, helping to improve the quality and profitability of corporate assets, optimize the allocation of resources, prioritize the support of businesses with high profit margin contribution and fast cash inflows, and accelerate the disposal of inefficient and ineffective assets. The Company continued to enhance capital efficiency and reduce costs, strengthened the centralized management of funds and notes, reduced restricted funds, achieving full use of funds and concentrating financial resources to accomplish major tasks. It actively promoted the transfer of accounts receivable, infrastructure public REITs and other businesses to improve asset turnover. It strengthened tax planning to create value, actively sought financial and tax incentives for tax reduction and fee reduction, comprehensively advanced centralized procurement to lower procurement costs. It vigorously carried out supply chain financial services and continued to expand the effectiveness of procurement cost reduction.

**4. *In Respect of Resource Distribution: Possessing Constantly Improving Management Innovation Ability and Resource Integration Capability***

The Company is able to constantly optimize the strategy, model, procedure, standard, value, culture, structure and system through continuous innovation in management thinking, management concept, management knowledge, management approach, management tool, in order to ensure the Company will remain vibrant and energetic under changing internal and external conditions. With a view to improving the industrial chain and value chain, the Company continued to promote the resource integration between different internal companies and different businesses and strived to push forward the effective integration of external social resource and capital of the Company with a complementary effect in order to multiply vitality of the Company, realize the extensive, lean and intensive operation of the Company and efficiently achieve the goal of the Company's results and development. The Company comprehensively promoted centralized procurement by integrating the procurement needs of all subsidiaries and conducting headquarters-level centralized procurement, continuously strengthening the supplier resource allocation capability.

The Company possesses a whole-process, all-aspect and complete construction industrial chain covering technological research and development, consulting and planning, surveying and mapping, project design, project supervision, civil construction, installation and adjustment, operation and management, equipment manufacturing and integration, technological service and import and export trade. As compared with general engineering design enterprises, project construction enterprises or equipment manufacturing enterprises, the Company is able to carry out resource integration on its whole industrial chain and to provide more comprehensive and integrated services to customers.

## **5. *In Respect of Corporate Culture: Possessing Corporate Spirit and Vision with High Popularity***

The Company's history can be traced back to the earliest force in the construction of the iron and steel industry in New China, serving as a pioneer and mainstay of the Chinese iron and steel industry. Since its involvement in the construction of Angang Steel, the "cradle of China's iron & steel industry", in 1948, to the construction of WISCO, Baogang Group, TISCO, Pangang Group, Baosteel and others, it has undertaken the planning, survey, design, and construction of the main production facilities for nearly all large and medium iron and steel enterprises domestically. It is the foundation of New China's "steel and iron bones". Thus, the Company has accumulated an excellent tradition characterized by bravery, courage, solidarity and struggles, and courage to rise to challenges, which has become the Company's great spiritual wealth. The Company adopts the development vision of "centering on main businesses and building a better MCC", anchors the Goals for "one building, two most, five strong", adheres to the strategic positioning of "being the world-class national team of metallurgical construction, the main force and pioneer of infrastructure construction, and the front runner and vanguard of emerging industries, and adhering to the road of hightech and high-quality innovation and development in the long term", and unites people's mind with the vision of "Better MCC", and leads all cadres and staff to work together and strive for progress with simplicity and honesty, responsibility, refreshing and righteous and striving for the first place. It was the mark of a new burst of vitality again. The excellent corporate culture represented by the "enterprise development vision" formed and precipitated in this process is the unique winning weapon of the Company and the strong spiritual force for the long-term development of the Company, which has become an important component of the core competitiveness of the Company.

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

### **III. FINANCIAL HIGHLIGHTS**

#### **(I) Overview**

The Company's financial position as at 30 June 2024 and the operating results for the six months ended 30 June 2024 were as follows:

- Operating revenue amounted to RMB298,842 million, representing a decrease of RMB35,617 million or 10.65% from RMB334,459 million in the first half of 2023.

- Net profit amounted to RMB4,701 million, representing a decrease of RMB3,978 million or 45.84% from RMB8,679 million in the first half of 2023.
- Net profit attributable to the Shareholders of the listed company amounted to RMB4,150 million, representing a decrease of RMB3,068 million or 42.50% from RMB7,218 million in the first half of 2023.
- Basic earnings per share amounted to RMB0.11, while the basic earnings per share in the first half of 2023 amounted to RMB0.26.
- As at 30 June 2024, total assets amounted to RMB755,551 million, representing an increase of RMB93,949 million or 14.20% from RMB661,602 million as at 31 December 2023.
- As at 30 June 2024, the Shareholders' equity amounted to RMB170,055 million, representing an increase of RMB2,064 million or 1.23% from RMB167,991 million as at 31 December 2023.
- The value of newly signed contracts amounted to RMB677,797 million, representing a decrease of RMB44,094 million or 6.11% from RMB721,891 million in the first half of 2023.

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

## **(II) Operating Revenue from Principal Business Segments**

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

### **1. *Engineering Contracting Business***

Operating revenue amounted to RMB277,363 million, representing a decrease of RMB32,088 million or 10.37% from RMB309,451 million in the first half of 2023.

### **2. *Resource Development Business***

Operating revenue amounted to RMB3,292 million, representing a decrease of RMB277 million or 7.76% from RMB3,569 million in the first half of 2023.

### **3. *Featured Business***

Operating revenue amounted to RMB16,031 million, representing a decrease of RMB520 million or 3.14% from RMB16,551 million in the first half of 2023.

#### **4. *Comprehensive Real Estate Business***

Operating revenue amounted to RMB5,030 million, representing a decrease of RMB2,755 million or 35.39% from RMB7,785 million in the first half of 2023.

#### **5. *Other Businesses***

Operating revenue amounted to RMB343 million, representing a decrease of RMB91 million or 20.88% from RMB434 million in the first half of 2023.

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

### **IV. POSSIBLE RISKS AND MEASURES ADOPTED BY THE COMPANY**

#### **1. Risks associated with macro-economy**

Currently, the unprecedented changes in a century are accelerating, and the effects of economic divisions and supply chain restructuring triggered by geopolitical conflicts continued to exist. Sustained high inflation and differentiated monetary policies have resulted in ongoing cumulative risks in the global financial market. The global industrial chain supply chain has accelerated its adjustment and restructuring, with localized and regionalized development becoming more obvious. Multiple factors are interwoven and overlapping, while the world economy remains in recovery. Confronted with an interwoven and complex external environment, the national economy has been rebounding and advancing, with high-quality development advancing in a solid manner under a series of stabilizing economic policies. However, there are a number of difficulties and challenges to be overcome in order to further promote economic recovery, mainly involving insufficient effective demand, overcapacity in some industries, weak social expectations, many hidden risks, and there is an intensified complex, severe and uncertain external environment.

In order to effectively cope with macroeconomic fluctuation risks, the Company will firmly adhere to the business system of “One Core, Two Main Bodies and Five Features”, closely track and analyze macroeconomic policies and industry development trends, prudently assess associated risks, and adjust its business strategies in a timely manner, so as to promote the sustained and sound development of the Company.

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

Currently, the restructuring of the iron and steel industry and the optimization and upgrade of the industry will continue and deepen. High-end metallurgical technology and equipment upgrading, green and low-carbon transformation, digital transformation and intelligent upgrading, and orderly development of electric furnace steel are the main theme of development of domestic iron and steel industry, and bring a range of market opportunities for quality efficiency adjustments and upgrades. From an overseas perspective, despite the unprecedented complexity of the current international situation, the cooperation and mutual benefit of all countries is a long-term trend, and the overseas market is still an important pole for the future growth of the metallurgical engineering sector of the Company.

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

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

Risks relating to non-steel engineering are closely related to national strategic and fixed asset investments policies. Along with the urbanization slowdown, the future added value in construction industry accounted for the share of GDP will be progressively lowered. At the same time, subject to the economic growth rate downturn, local government implied debt control, the tightening of special debt issuance quota, policy adjustments to the PPP project and other factors, non-steel engineering market appears to be excessive production capacity coupled with the intensified "Matthew effect", which will make the market competition even more intense. Meanwhile, fluctuations in the prices of construction materials such as steel, cement and timber, supply chain disruptions or resource shortages may lead to cost increases, which will have a significant impact on the feasibility and cost of construction projects. In the near term, in order to promote stable economic growth, China has kept on releasing new benefits by issuing special national bonds, encouraging increased investment in urban infrastructure construction, and promoting "three major projects" for the construction of protected housing, renovation of inner-city villages, and public infrastructure

for “normal use and emergency use” (平急兩用), bringing opportunities for the development of construction enterprises. In terms of regional development, population and resources concentrates on relatively developed economic city clusters and metropolitan areas such as Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and Xiong’an New Area, where the five major city clusters have become the main economic growth driver. In the above hotspots, the Company’s share of the market remains on the low-end, with inadequate tapping of market potentials.

The Company will further integrate into the national strategy by concentrating on “three optimizations”, establishing the concept of “Big Marketing”, firmly consolidating, optimizing and improving the strategic path of “One Core, Two Main Bodies and Five Features” business system, innovating the business model, reinforcing the marketing system construction, thus comprehensively improving the Company’s competitiveness in non-steel engineering market, and becoming the most reliable general contractor known by the world and domestic leading infrastructure, and secure more market share.

#### **4. Risks associated with the real estate development business segment**

Since 2024, the central and local governments have gradually loosened their real estate control policies, and the real estate industry policy has entered a comprehensive easing cycle, with the centralized introduction of a number of policies at the national level to continuously reduce the cost of home ownership for home buyers. However, from the industry’s performance, the momentum of housing demand release has gradually weakened, urbanization has slowed down, and residents’ income expectations are weak. Under the background of macroeconomic downturn, the policy easing has not been fully accepted by the market, the real estate market has not yet shown obvious signs of a significant rebound, and it is still difficult to stop the housing prices dropping.

The Company will actively adapt to the requirements of the situation and market changes, implement the overall requirements of “relieving inventory risk and taking strict control of increment”, firmly guard the bottom line of non-occurrence of systemic and subversive risks, and explore to build a new model suitable for its own development. Firstly, the Company formulated special programs and action plans around the objective of “destocking” (去庫存), taken various measures to step up efforts in destocking, asset revitalization and risky project clearance, fully implemented the requirements of “one case, one policy (一案一策)” control, strictly implemented the primary responsibility, and made the destocking work of the real estate industry as the “top priority” to overcome difficulties, held the “three bottom lines” of the funds, delivery and quality, and strove to overcome the adverse impact of the downward shock of the real estate market to ensure cash flow security. Secondly, the Company gave full



play to its advantages in the layout of the whole industrial chain of investment, financing, construction and operation, strengthened the business synergies and linkages between MCC Real Estate and subsidiaries in other segments through an innovative marketing model of “Five Linkages”, and actively participated in the construction projects of the “three major projects” to continuously reduce its debt pressure and enhance its real estate development capacity, asset operation capacity and property management level. The Company improved its operation quality, enhanced the products, services and brand force, and took the path of asset-light development, which focuses on real estate development and management services and brand output.

## **5. Risks associated with financial segment**

Globally, the major economies in Europe and the United States sustained interest rate hikes to raise market interest rates. In view of the global economic growth slowdown, the existence of geopolitical risks coupled with the concurrent existence of cooperation and competition among countries, it is expected that the central banks of the developed markets around the world will enter into an interest rate reduction cycle in 2024, however, it is unlikely that there will be a fundamental change in the high-interest rate environment in the short term, with limited economic recovery efforts. In addition, China still faces significant short-term economic downward pressure, with traditional industries in urgent need of restructuring and upgrading, together with the nurturing of the new economies, which render an overlay of cyclical and structural conflicts. Besides, as the national economy remains in a critical stage of recovery featuring with strong economic resilience and sufficient potential, the fundamentals of a long-term upturn remain unchanged, with market opportunities and risks concurrently existing.

In order to prevent risks in the financial sector, the Company paid close attention to policy directions and market changes, strengthened dual control of financing, enhanced coordination and operation, continued to optimize the financing structure, captured low-cost capital, and improved the efficiency of capital utilization. The Company carried out capital operations and optimize its capital structure by utilizing the capital market. It adhered to the neutral management concept of exchange rate risk, coordinated our control over foreign exchange risk exposures, strictly adhered to the principle of hedging, prudently carried out foreign exchange hedging business, and proactively prevented and resolved foreign exchange risks.

## **6. Risks associated with bulk commodity prices**

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

The Company will enhance its research and forecast on the changing trend and policies in response to bulk commodity market prices, and adjust its procurement and sales strategies. At the same time, it will increase its efforts to investigate and locate mines create positive conditions for research and promote the construction and expansion of new mines, increase reserves output, enhance process and equipment management by optimizing production management, encourage scientific research and innovation, implement technology reforms, thus reducing running and leakage, shrinking unit consumption and reducing energy consumption, and adopt all possible measures to reduce various costs such as production and operation for further cost reduction and efficiency improvement.

## **7. Risks associated with international operation**

The Company's operations in various countries and regions are subject to local political, economic, social, legal, exchange rate and other environmental factors. On the other hand, the derivative risks arising from the global economic downturn continue may result in the failure to complete construction work on time, cost overruns, disputes arising from claims, difficulties in performing the contract and increased risks in the operation of mining projects, etc., which in turn affect the revenue and profit of the Company's overseas business.

The Company shall supervise each subsidiary and foreign institution to scientifically formulate safety plan, make risk assessment and emergency drills, and ensure the health and safety of employees; at the same time, we summarise up the experience and lessons learned for international operation in terms of market expansion and project implementation, studied the policies, regulations and humanities environment of the overseas projects in-depth, established good long-term cooperative relationships with local partners, made every effort to decrease the risk of international operating by securing projects with good contract terms and dynamically monitoring the projects under construction.

## **8. Environmental and safety production risks**

We strengthen the overall protection of the environment, resolutely fight the battle against pollution, and insist that green, low-carbon circular development have become an important national strategy, enterprises must pay more attention to ecological civilization and environmental protection. The Company is engaged in a number of industries, including engineering contracting, real estate development, equipment manufacturing and resource development. Numerous subsidiaries and respective projects result in higher standard of requirements on ecological and environmental protection management. As a construction and production enterprise, safety production risks exist in all aspects of the Company's production and operation activities, which may lead to production safety accidents due to unsafe human behavior, unsafe material conditions, unsafe environmental factors and reasons from management, etc., which damage the health of employees, cause certain economic losses to the enterprise and even affect the reputation of the enterprise.

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

## **9. Risks associated with documents fraud or theft**

In order to guard state secrets, protect commercial secrets, and protect the national and enterprises' safety, the Company has formulated a set of relatively comprehensive rules and regulations on confidentiality. The Company adopts various promotional and educational measures regularly in order to raise the awareness of information confidentiality of the employees. The Company randomly assesses the information confidentiality of its subsidiaries every year, conducts interviews, investigates and reviews systems, recorded documents and conducts on-site investigations. We carried

out a comprehensive inspection on the operation of the confidentiality management system and rectify the situation within a period of time. The Company has allocated the domestically prescribed classified computer and timely updated the protection system, arranged for the person to be responsible for the management, and strictly abided by the principle of “no internet with secrets and no secrets on internet”.

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

## **10. Cyber risk and security**

Driven by the digital transformation needs of enterprises, the number of information system is surging, and the security requirements for application systems, information data and network transmission, have increased significantly. Besides, the Company endeavors to expand the overseas markets for gradual enhancement in international influence. The risk from cyber-attacks to the information system has been increased subsequently. The occurrence of the risk events may cause adverse impacts on the production and operating activities of the Company.

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

## V. MANAGEMENT DISCUSSION AND ANALYSIS

### (I) Analysis on major operating business

#### 1. Analysis on the changes in the relevant items in financial statement

Unit: RMB'000

Items	Amount for the current period	Amount for the same period of the previous year	Change in Proportion (%)
Operating revenue	298,841,527	334,458,860	-10.65
Operating costs	271,800,189	303,470,277	-10.44
Selling expenses	1,386,378	1,392,314	-0.43
Administrative expenses	5,708,421	5,425,525	5.21
Financial expenses	637,300	248,599	156.36
Research and development expenses	8,066,189	9,089,092	-11.25
Net cash flows from operating activities	(28,406,160)	(14,516,419)	N/A
Net cash flows from investing activities	(1,700,932)	(2,517,715)	N/A
Net cash flows from financing activities	<u>31,704,769</u>	<u>31,102,865</u>	<u>1.94</u>

Explanation of change in operating revenue: Mainly due to the decline in revenue from engineering contracting, comprehensive real estate and other businesses sectors during the Reporting Period as a result of the adjustment in real estate and infrastructure markets.

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

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

Explanation of change in administrative expenses: Mainly due to the increase in the Company's personnel costs, rental fees and other administrative expenses during the Reporting Period.

Explanation of change in financial expenses: Mainly due to the increase in finance costs as a result of the decline in the Company's foreign exchange gains during the Reporting Period.

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

Explanation of change in net cash flows from operating activities: Mainly due to the extended payment cycle of the project owners and the slowdown in payment collection of projects during the Reporting Period.

Explanation of change in net cash flows from investing activities: Mainly due to the decrease in net cash outflows from payments for reduced external investment activities by the Company during the Reporting Period.

Explanation of change in net cash flows from financing activities: Mainly due to the increase in net cash inflows such as the acquisition of borrowings during the Reporting Period.

## 2. Analysis on revenue and costs

### (1) Major business by segment and region

#### 1) Major business by segment

Unit: RMB'000

Segments	Operating revenue	Operating costs	Major Business by Segment			Increase or decrease in the gross profit margin as compared to the corresponding period of last year
			Gross Margin (%)	Increase or decrease in the operating revenue as compared to the corresponding period of last year (%)	Increase or decrease in the operating costs as compared to the corresponding period of last year (%)	
Engineering contracting	277,363,228	253,775,395	8.50	-10.37	-10.25	Decreased by 0.13 percentage point
Resource development	3,292,328	2,459,638	25.29	-7.76	5.13	Decreased by 9.16 percentage points
Featured businesses	16,031,476	13,650,671	14.85	-3.14	-2.54	Decreased by 0.52 percentage point
Comprehensive real estate	5,029,641	4,689,521	6.76	-35.39	-34.28	Decreased by 1.58 percentage points
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	

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



① Engineering contracting business

Engineering contracting business is the traditional core business of the Company which is mainly carried out by way of EPC contract and general financing. It is currently the major source of the Company's revenue and profit. Gross profit margins of the Company's construction contracting business for the first half of 2024 and 2023 were 8.50% and 8.63%, respectively, representing a year-on-year decrease of 0.13 percentage point.

The proportion of the operating revenue accounting for the total amount of engineering contracting in each sub-segment of the Company were as follows:

*Unit: RMB'000*

Items of revenue	In the first half of 2024		In the first half of 2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Metallurgical engineering	56,705,525	20.44	59,986,756	19.38
Housing construction engineering	163,751,046	59.04	178,570,312	57.71
Municipal infrastructure engineering	53,006,512	19.11	66,138,443	21.37
Other engineering	3,900,145	1.41	4,755,436	1.54
Total	<u>277,363,228</u>	<u>100.00</u>	<u>309,450,947</u>	<u>100.00</u>

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

## ② Resources development business

The Company's resources development business included mining and processing. Companies including MCC Tongsin Resources Limited (中冶集團銅鋅有限公司) and MCC-JJJ Mining Development Company Limited (中冶金吉礦業開發有限公司) were mainly engaged in the mining business while Sinosico, the polysilicon manufacturing enterprise, was mainly engaged in the processing business. For the first half of 2024 and 2023, the gross profit margin of the Company's resources development business was 25.29% and 34.45% respectively, representing a year-on-year decrease of 9.16 percentage points. The decrease was mainly due to the fluctuations in international bulk material prices.

## ③ Featured business

The Company's featured businesses mainly include core equipment and steel structure, ecological and environmental protection and operation, and engineering consulting and technical services. For the first half of 2024 and 2023, the gross profit margin of the Company's featured businesses was 14.85% and 15.37% respectively, with a year-on-year decrease of 0.52 percentage point. The decrease was mainly due to the impact of fixed costs such as labour and depreciation, and the decrease in revenue from the featured businesses was greater than that of the costs.

## ④ Comprehensive real estate business

For the first half of 2024 and 2023, the overall gross profit margin of the Company's comprehensive real estate business was 6.76% and 8.34% respectively, representing a year-on-year decrease of 1.58 percentage points. The decrease was mainly due to the continued pressure on the real estate market, the industry still undergoing cyclical adjustments, insufficient market demand, and a significant decline in gross profit margin.

(2) Table of costs analysis

Unit: RMB'000

Segment	Costs component items	By Segment			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 (%)
		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		
Engineering contracting	Operating costs	253,775,395	92.34	282,756,909	92.24	-10.25
Resource development	Operating costs	2,459,638	0.90	2,339,522	0.76	5.13
Featured business	Operating costs	13,650,671	4.97	14,006,849	4.57	-2.54
Comprehensive real estate	Operating costs	4,689,521	1.71	7,136,137	2.33	-34.28

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

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

Unit: RMB'000

Items of costs	In the first half of 2024		In the first half of 2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Subcontracting expenses	142,782,795	56.26	152,912,866	54.08
Materials expenses	81,052,256	31.94	98,122,435	34.71
Labour costs	14,764,155	5.82	14,706,685	5.20
Machinery usage fees	4,418,024	1.74	4,703,357	1.66
Others	10,758,165	4.24	12,311,566	4.35
Total engineering cost	253,775,395	100.00	282,756,909	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 RMB9,800,700 thousand, accounting for 3.28% of the total sales during the Reporting Period; among them, related-party sales included in the sales of the top five customers amounted to RMB3,064,292 thousand, accounting for 1.03% of the total sales during the Reporting Period.

*Unit: RMB'000*

<b>Customer's name</b>	<b>Operating revenue</b>	<b>Proportion of the total operating revenue (%)</b>
Unit 1	2,622,322	0.88
Unit 2	2,066,128	0.69
Unit 3	2,047,958	0.69
Unit 4	1,599,508	0.54
Unit 5	1,464,784	0.49
Total	<u>9,800,700</u>	<u>3.28</u>

The procurement of the top five suppliers amounted to RMB3,952,749 thousand, accounting for 1.46% of the operating costs during the Reporting Period; among them, the procurement from related parties under the procurement of the top five suppliers amounted to RMB693,648 thousand, accounting for 0.26% of total procurement during the Reporting Period.

*Unit: RMB'000*

<b>Supplier's name</b>	<b>Procurement for the current period</b>	<b>Proportion of the total operating costs (%)</b>
Unit 1	1,014,227	0.37
Unit 2	818,892	0.30
Unit 3	812,721	0.30
Unit 4	693,648	0.26
Unit 5	613,261	0.23
Total	<u>3,952,749</u>	<u>1.46</u>

### **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 2024 and 2023, the Company's selling expenses were RMB1,386,378 thousand and RMB1,392,314 thousand respectively, representing a year-on-year decrease of 0.43%, which was mainly attributable to the decrease in the Company's selling expenses, such as selling service fees and advertisement fees.

#### **(2) *Administrative expenses***

The Company's administrative expenses mainly include employee compensation costs, depreciation expenses and domestic travelling expenses. In the first half of 2024 and 2023, the Company's administrative expenses were RMB5,708,421 thousand and RMB5,425,525 thousand respectively, representing a year-on-year increase of 5.21%, which was mainly attributable to the increase in management expenses such as labour costs and rental fees.

#### **(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 2024 and 2023, the Company's financial expenses were RMB637,300 thousand and RMB248,599 thousand respectively, representing a year-on-year increase of 156.36%, which was mainly attributable to the year-on-year decrease in foreign exchange gains.

#### **(4) *Research and development expenses***

The Company's research and development expenses include personnel labour costs, direct input costs, depreciation expenses and equipment commissioning expenses and experimentation expenses. In the first half of 2024 and 2023, the Company's research and development expenses were RMB8,066,189 thousand and RMB9,089,092 thousand respectively, representing a year-on-year decrease of 11.25%, which was mainly attributable to a decrease in R&D inputs in the current year.

#### 4. *Research and development expenditure*

*Unit: RMB'000*

Research and development expenditure for the current period	8,066,189
Capitalized research and development expenditure for the current period	–
Total research and development expenditure	8,066,189
Proportion of total research and development expenditure to operating revenue (%)	2.70
Proportion of capitalized research and development expenditure (%)	–

#### 5. *Cash flows*

The cash flows of the Company are as follows:

*Unit: RMB'000*

<b>Items</b>	<b>In the first half of 2024</b>	<b>In the first half of 2023</b>
Net cash flows from operating activities	<b>(28,406,160)</b>	(14,516,419)
Net cash flows from investing activities	<b>(1,700,932)</b>	(2,517,715)
Net cash flows from financing activities	<b>31,704,769</b>	31,102,865

##### *(1) Operating activities*

In the first half of 2024 and 2023, the Company's net cash flows generated from operating activities amounted to RMB-28,406,160 thousand and RMB-14,516,419 thousand respectively. In the first half of 2024 and 2023, the cash inflows generated from operating activities was mainly came from the cash received from the sale of goods and the rendering of services, accounting for 96.96% and 98.88% 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 2024 and 2023, such cash outflow accounted for 86.26%, 6.53%, 2.69% and 87.15%, 5.83%, 2.32%, respectively with respect to the cash outflow generated from operating activities.



(2) *Investing activities*

In the first half of 2024 and 2023, the Company's net cash flows generated from investing activities amounted to RMB-1,700,932 thousand and RMB-2,517,715 thousand. The investing activities of the Company mainly came from disposal of assets and cash receipts from recovery of investments which accounted for 48.84%, 33.84% and 3.92%, 31.04% of the cash inflow generated from investing activities in the first half of 2024 and 2023, respectively. The Company's cash outflows mainly included cash payments to acquire or construct fixed assets, intangible assets and other long-term assets and cash payments to acquire investments, as well as cash paid for investment. In the first half of 2024 and 2023, such cash outflow accounted for 56.69%, 34.94% and 38.34%, 61.07%, respectively with respect to the cash outflow generated from investing activities.

(3) *Financing activities*

In the first half of 2024 and 2023, the Company's net cash flows generated from financing activities amounted to RMB31,704,769 thousand and RMB31,102,865 thousand respectively. The Company's cash inflow from financing activities mainly consisted of cash receipts from borrowings which accounted for 97.50% and 85.46% respectively of the cash inflow generated from financing activities for the first half of 2024 and 2023. The Company's cash outflow from financing activities mainly consisted of cash repayments of borrowings and cash payments for distribution of dividends, profits or settlement of interest expenses. In the first half of 2024 and 2023, such cash outflow accounted for 94.73%, 2.29% and 85.63%, 3.19%, respectively with respect to the cash outflow generated from financing activities.

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

Applicable  Not applicable

**(II) Description of material changes in profits from non-major 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	Proportion of the amount at the end of the current period to the total assets/total liabilities (%)	Amount at the end of the previous year	Proportion of the amount at the end of the previous year to the total assets/total liabilities (%)	Proportion change in the amount at the end of the current period as compared to that at the end of the previous year (%)
Current assets	573,168,051	75.86	484,133,951	73.18	18.39
Cash and bank balances	47,596,477	6.30	44,440,269	6.72	7.10
Accounts receivable	177,495,026	23.49	130,037,264	19.65	36.50
Inventories	79,996,382	10.59	80,075,514	12.10	-0.10
Contract assets	166,238,366	22.00	121,833,709	18.41	36.45
Non-current assets	182,383,381	24.14	177,468,285	26.82	2.77
Intangible assets	23,384,645	3.10	22,849,854	3.45	2.34
<b>Total assets</b>	<b>755,551,432</b>	<b>100.00</b>	<b>661,602,236</b>	<b>100.00</b>	<b>14.20</b>
Current liabilities	538,575,324	91.99	448,818,443	90.93	20.00
Short-term borrowings	58,432,552	9.98	28,220,281	5.72	107.06
Bills payable	32,384,331	5.53	31,717,090	6.43	2.10
Accounts payable	289,510,977	49.45	240,394,139	48.70	20.43
Contract liabilities	62,297,667	10.64	64,819,382	13.13	-3.89
Non-current liabilities	46,921,192	8.01	44,792,628	9.07	4.75
Long-term borrowings	35,454,476	6.06	34,168,791	6.92	3.76
<b>Total liabilities</b>	<b>585,496,516</b>	<b>100.00</b>	<b>493,611,071</b>	<b>100.00</b>	<b>18.61</b>

*(1) Analysis on the structure of assets*

Cash and bank balances

As at 30 June 2024 and 31 December 2023, the balances of cash and bank balances of the Company were RMB47,596,477 thousand and RMB44,440,269 thousand, respectively, representing an increase of 7.10% as compared with the beginning of the year.

As at 30 June 2024 and 31 December 2023, the restricted cash and bank balances of the Company were RMB12,137,006 thousand and RMB10,590,161 thousand, respectively, which accounted for 25.50% and 23.83% of the cash and bank balances, respectively. The restricted cash and bank balances mainly included bank deposits for issuing acceptance bills, guarantee deposits, frozen funds for lawsuit, project supervision funds and wage deposits for rural migrant workers, etc.

Accounts receivable

As at 30 June 2024 and 31 December 2023, the carrying value of the Company's accounts receivable were RMB177,495,026 thousand and RMB130,037,264 thousand, respectively, representing an increase of 36.50% as compared with the beginning of the year, which was mainly due to an increase in accounts receivable related to engineering contracting services.

Inventories

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

As at 30 June 2024 and 31 December 2023, the Company's net inventories were RMB79,996,382 thousand and RMB80,075,514 thousand, respectively, representing a decrease of 0.10% 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 2024 and 31 December 2023, the net contract assets of the Company amounted to RMB166,238,366 thousand and RMB121,833,709 thousand, respectively, representing an increase of 36.45% 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 2024 and 31 December 2023, the aggregated carrying value of the Company's intangible assets were RMB23,384,645 thousand and RMB22,849,854 thousand, respectively, representing an increase of 2.34% 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 2024 and 31 December 2023, the carrying value of the Company's short-term borrowings were RMB58,432,552 thousand and RMB28,220,281 thousand, respectively, representing an increase of 107.06% as compared with the beginning of the year. As at 30 June 2024 and 31 December 2023, the carrying value of the Company's long-term borrowings were RMB35,454,476 thousand and RMB34,168,791 thousand, respectively, representing an increase of 3.76% 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 RMB115,092,329 thousand and RMB5,720,226 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 RMB47,708,991 thousand and RMB20,035,174 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 2024 and 31 December 2023, the Company's carrying value of accounts payable were RMB289,510,977 thousand and RMB240,394,139 thousand, respectively, representing an increase of 20.43% 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 2024 and 31 December 2023, the Company's carrying value of contract liabilities amounted to RMB62,297,667 thousand and RMB64,819,382 thousand, respectively, representing a decrease of 3.89% as compared with the beginning of the year.

## **2. Overseas assets**

### *(1) Asset size*

Among them: overseas assets 35,244,717 (Unit: RMB'000), accounting for 4.66% of the total assets.

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

Applicable       Not applicable

#### (IV) Analysis on the operational information in the construction industry

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

*Unit: RMB'000*

<b>Sub-segment</b>	<b>Housing construction</b>	<b>Infrastructure construction</b>	<b>Metallurgical engineering</b>	<b>Others</b>	<b>Total</b>
Number of projects (Unit)	3,097	1,092	2,310	141	6,640
Total amount	<u>17,863,259</u>	<u>4,452,671</u>	<u>8,973,140</u>	<u>915,798</u>	<u>32,204,868</u>

*Unit: RMB'000*

<b>Project location</b>	<b>Number of projects (Unit)</b>	<b>Total amount</b>
Domestic	6,500	31,853,693
Overseas	140	351,175
Including:		
Asia	101	264,332
Africa	11	42,082
South America	13	30,105
Europe	11	11,549
Oceania	1	385
North America	3	2,722
Total	<u>6,640</u>	<u>32,204,868</u>

##### 2. *Projects under construction during the Reporting Period*

*Unit: RMB'000*

<b>Sub-segment</b>	<b>Housing construction</b>	<b>Infrastructure construction</b>	<b>Metallurgical engineering</b>	<b>Others</b>	<b>Total</b>
Number of projects	4,940	1,905	4,064	1,057	11,966
Total amount	<u>142,515,300</u>	<u>45,331,401</u>	<u>44,091,487</u>	<u>6,153,653</u>	<u>238,091,841</u>



Unit: RMB'000

<b>Project location</b>	<b>Number of projects (Unit)</b>	<b>Total amount</b>
Domestic	11,602	230,285,133
Overseas	364	7,806,708
Including:		
Asia	285	7,610,600
Africa	27	63,579
South America	16	8,883
Europe	21	33,190
Oceania	14	74,672
North America	1	15,784
Total	<u>11,966</u>	<u>238,091,841</u>

**3. Major projects under construction**

Applicable     Not applicable

**4. Relevant information on financing arrangements of the Company**

As at the end of the Reporting Period, the balance of debt financing and financing by other equity instruments of the Company amounted to RMB163.677 billion, representing an increase of 27.26% as compared to the beginning of the period, which better satisfied the capital needs for enterprise development and industrial structure adjustment. In particular, the balances of debt financing and financing by other equity instruments amounted to RMB108.277 billion and RMB55.400 billion, respectively, which contributed to the further optimization of financing structure; the balance of financing due within one year and the long-term financing balance amounted to RMB68.119 billion and RMB95.558 billion, respectively.

## (V) Investment analysis

### 1. *Overall analysis on external equity investments*

As at 30 June 2024 and 31 December 2023, the net assets of the Company's trading financial assets were RMB2,602 thousand and RMB1,951 thousand, respectively, representing an increase of 33.36% compared to the beginning of the year. As at 30 June 2024 and 31 December 2023, the net long-term equity investments of the Company were RMB36,121,571 thousand and RMB36,236,395 thousand, respectively, representing a decrease of 0.32% compared to the beginning of the year. As at 30 June 2024 and 31 December 2023, the net investment in other equity instruments of the Company amounted to RMB1,447,502 thousand and RMB1,126,144 thousand, respectively, representing an increase of 28.54% as compared to the beginning of the year. As at 30 June 2024 and 31 December 2023, the Company's other net investment in non-current financial assets amounted to RMB3,953,195 thousand and RMB3,992,595 thousand, respectively, representing a decrease of 0.99% as compared with the beginning of the year.

#### (1) *Substantial equity investments*

Applicable     Not applicable

#### (2) *Substantial non-equity investments*

Applicable     Not applicable

(3) Financial assets measured at fair value

Securities investments

Unit: RMB'000

Stock variety	Stock code	Stock abbreviation	Initial Investment cost	Carrying amount at the beginning of the period	Profit or loss arising from changes in fair value for the current period	Fair value Change recorded in equity for the current period	Amount of purchase for the current period	Amount of disposal for the current period	Carrying amount at the end of the current period	Account category
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	361	233	-64	-	-	-	169	Financial assets held for trading
Shares	600787	CMST Development Corp (中儲股份)	499	587	-34	-	-	-	553	Financial assets held for trading
Shares	000539	GED (粵電力A)	24	31	1	-	-	-	32	Financial assets held for trading
Shares	600515	Hainan Airport (海南機場)	264	310	-47	-	-	-	263	Financial assets held for trading
Shares	600221	Hainan Airlines Holding (海航控股)	206	153	-40	-	-	-	113	Financial assets held for trading
Shares	002482	Grandland Group (廣田集團)	224	-	-14	-	224	-	210	Financial assets held for trading
Shares	000709	HBIS Company (河鋼股份)	4,600	4,041	-	-361	-	-	3,680	Investments in other equity instruments
Shares	601328	Bank of Communications (交通銀行)	89,134	239,365	-	71,967	-	-	311,332	Investments in other equity instruments
Shares	000939	Kaidi Ecological (凱迪生態)	2,502	-	-	-	-	-	-	Investments in other equity instruments
Shares	600642	Shenergy (申能股份)	188	289	-	108	-	-	397	Investments in other equity instruments
Shares	000005	Fountain (世紀星源)	420	175	-	-104	-	-	71	Investments in other equity instruments
Shares	600665	Tande (天地源)	1,122	626	-	-246	-	-	380	Investments in other equity instruments
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	170,080	67,115	-	-18,334	-	-	48,781	Investments in other equity instruments
Shares	000737	North Copper (北方銅業)	38,798	-	-	23,279	38,798	-	62,077	Investments in other equity instruments

Explanation of securities investments

Applicable  Not applicable

Private fund investments

Applicable  Not applicable

Derivative investments

(1) *Derivative investments for hedging purposes during the Reporting Period*

At the 56th meeting of the third session of the Board of the Company held on 22 January 2024, the Proposal in relation to the Foreign Exchange Hedging Business Plan of MCC for the Year 2024 was considered and approved, agreeing that MCC headquarter and its subsidiaries would carry out foreign exchange derivatives transactions with a quota of not more than USD4,239 million (including equivalent foreign currencies) for the year 2024, which shall be effective for a period of 12 months from the date of approval by the Board (Please refer to the relevant announcement disclosed by the Company on 22 January 2024 for details). The Company has not applied hedge accounting for its foreign exchange hedging business for the first half of 2024, and details of risk management are set out in the table below:

---

Accounting policies and specific principles of accounting for hedging operations during the Reporting Period, as well as an explanation of whether there have been any significant changes compared with the previous reporting period	No significant changes have occurred.
Explanation of actual gain or loss during the Reporting Period	The Company strictly follows the principle of hedging to carry out foreign exchange forward and currency swap business. The scale of foreign exchange hedging is determined based on the actual demand for foreign exchange business, and the gains and losses of foreign exchange hedging transactions are hedged against the corresponding changes in asset value.

Explanation of hedging effect	The Company's foreign exchange derivatives business is in line with the needs of the daily operations of the Company, which enables the Company to effectively avoid exchange rate risks and reduce the possible adverse impact of exchange rate fluctuations on the Company.
Sources of funds for derivative investments	Contractual receipts and payments of foreign exchange and foreign currency funds on hand arising from normal production and operation.
Risk analysis and description of control measures for derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, and others)	<p>(I) Transaction Risk Analysis</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol>

## (II) Risk Control Measures

1. For market risk, the Company intends to take the following measures: firstly, the foreign exchange hedging business to be undertaken by the Company are all foreign exchange forwards, simple exchange rate options, interest rate swaps and currency swaps products conducted for the purpose of hedging which are closely related to the actual business, and do not involve speculative arbitrage. Transaction gains and losses are also hedged against changes in the value of their corresponding risk assets; secondly, we strengthened research and analysis of exchange rates, pay 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 follow up on the market in a timely manner for dynamic management, and set up a risk early warning line based on the transaction program. We regularly check the transaction situation with all counterparties, analyze and assess the possible risks and take prompt countermeasures.
2. For liquidity risk, the Company intends to take the following measures: firstly, the foreign exchange preservation business undertaken by the Company are based on the actual business, matching with the actual foreign exchange income and expenditure, and at the time of decision-making, the Company has reasonably planned the capital plan to ensure sufficient funds to be held at the time of delivery; secondly, the Company will select the difference in delivery at the appropriate time based on the type of products and market trends, so as to successfully satisfy the demand for funds for delivery; thirdly, the Company will reinforce its efforts in collection of the project, so as to ensure the return of the funds.



3. For performance risk, the Company intends to take the following measures: firstly, the counterparties of the foreign exchange preservation business undertaken by the Company are all financial institutions with good credit, solid capital and with whom the Company has established long-term business relations, so that the performance risk is low; secondly, the Company will closely follow up on the operation of the counterparties in the process of holding positions, and will take countermeasures promptly in the event of any significant risk events.
4. For internal control risk, the Company intends to take the following measures: firstly, the Company will carry out the business in strict accordance with the annual plan of foreign exchange preservation, and the specific business shall be approved by the relevant authorized personnel of the Company before processing; secondly, the Company will clearly define the responsibilities and authority of the positions of foreign exchange preservation business, and ensure the separation, constraint and supervision of incompatible positions for foreign exchange preservation business; thirdly, the Company prohibits one person from processing the whole process of foreign exchange preservation business, while the personnel for processing the business shall have the corresponding business competence; fourthly, through the foreign exchange risk management auditing and supervisory system, the Company will carry out supervision and inspection of foreign exchange preservation business norms and the effectiveness of the internal control mechanism on a regular basis.
5. For compliance risk, the Company intends to take the following measures: firstly, the Company concludes contracts with counterparties in compliance with the Civil Code of the People's Republic of China and relevant laws and regulations; secondly, the legal compliance department shall conduct compliance audits of foreign exchange contracts; thirdly, third-party legal advisers or experts shall be consulted for the conclusion of major foreign exchange contracts.

Changes in the market price or product fair value of invested derivatives during the Reporting Period, the analysis of the fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters	The Company conducted foreign exchange forward and currency swap business with caution for the purpose of hedging, and the market price fluctuated according to the exchange rate of Renminbi against the USD 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)	22 January 2024
Date of disclosure of the announcement of the shareholders' meeting for approval of derivative investment (if any)	Not applicable

---

(2) *Derivative investments for speculative purposes during the Reporting Period*

Applicable       Not Applicable

## VI. CONSOLIDATED AND THE COMPANY'S BALANCE SHEETS

### CONSOLIDATED BALANCE SHEET

30 June 2024

Unit: RMB'000

Items	30 June 2024	31 December 2023
<b>Current Assets:</b>		
Cash and bank balances	47,596,477	44,440,269
Financial assets held for trading	2,602	1,951
Derivative financial assets	–	12,676
Bills receivable	6,417,310	5,583,704
Accounts receivable	177,495,026	130,037,264
Receivables at FVTOCI	8,451,016	11,131,328
Prepayments	26,125,391	33,120,920
Other receivables	40,460,221	40,436,304
Inventories	79,996,382	80,075,514
Contract assets	166,238,366	121,833,709
Non-current assets due within one year	7,814,039	7,087,526
Other current assets	12,571,221	10,372,786
	<b>573,168,051</b>	484,133,951
<b>Non-current Assets:</b>		
Long-term receivables	53,322,910	50,825,135
Long-term equity investments	36,121,571	36,236,395
Investments in other equity instruments	1,447,502	1,126,144
Other non-current financial assets	3,953,195	3,992,595
Investment properties	7,918,071	8,020,390
Fixed assets	27,224,570	27,725,928
Construction in progress	3,962,505	3,830,579
Right-of-use assets	668,959	767,798
Intangible assets	23,384,645	22,849,854
Goodwill	50,075	50,075
Long-term prepayments	342,760	351,699
Deferred tax assets	7,790,948	6,949,230
Other non-current assets	16,195,670	14,742,463
	<b>182,383,381</b>	177,468,285
<b>TOTAL ASSETS</b>	<b>755,551,432</b>	661,602,236

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

30 June 2024

Unit: RMB'000

Items	30 June 2024	31 December 2023
<b>Current Liabilities:</b>		
Short-term borrowings	58,432,552	28,220,281
Derivative financial liabilities	643,489	453,950
Bills payable	32,384,331	31,717,090
Accounts payable	289,510,977	240,394,139
Receipts in advance	118,254	104,034
Contract liabilities	62,297,667	64,819,382
Employee benefits payable	2,822,407	2,624,077
Taxes payable	4,401,542	5,308,635
Other payables	47,572,967	40,269,691
Non-current liabilities due within one year	10,392,464	8,044,599
Other current liabilities	29,998,674	26,862,565
<b>Total Current Liabilities</b>	<b>538,575,324</b>	448,818,443
<b>Non-current Liabilities:</b>		
Long-term borrowings	35,454,476	34,168,791
Bonds payable	4,000,000	3,300,000
Lease liabilities	500,388	501,345
Long-term payables	1,254,409	736,736
Long-term employee benefits payable	3,373,463	3,397,953
Provisions	1,053,993	1,077,238
Deferred income	1,096,912	1,058,582
Deferred tax liabilities	187,551	171,983
Other non-current Liabilities	–	380,000
<b>Total Non-current Liabilities</b>	<b>46,921,192</b>	44,792,628
<b>TOTAL LIABILITIES</b>	<b>585,496,516</b>	493,611,071

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

30 June 2024

Unit: RMB'000

Items	30 June 2024	31 December 2023
<b>Shareholders' Equity:</b>		
Share capital	20,723,619	20,723,619
Other equity instruments	51,400,000	47,400,000
Including: Perpetual bonds	51,400,000	47,400,000
Capital reserve	22,579,952	22,582,222
Other comprehensive income	840,979	1,111,475
Special reserve	803,869	411,766
Surplus reserve	3,391,294	3,391,294
Retained earnings	50,684,082	49,859,806
<b>Total shareholders' equity attributable to shareholders of the Company</b>	<b>150,423,795</b>	145,480,182
<b>Non-controlling interests</b>	<b>19,631,121</b>	22,510,983
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>170,054,916</b>	167,991,165
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>755,551,432</b>	661,602,236

This financial statement is signed by the following person:

*Chairman:*  
**Chen Jianguang**

*General Accountant:*  
**Zou Hongying**

*Financial Controller:*  
**Li Yifeng**

## THE COMPANY'S BALANCE SHEET

30 June 2024

Unit: RMB'000

Items	30 June 2024	31 December 2023
<b>Current Assets:</b>		
Cash and bank balances	912,849	993,899
Derivative financial assets	–	12,676
Accounts receivable	515,844	524,199
Prepayments	224,787	236,918
Other receivables	84,857,819	72,266,469
Inventories	5,316	873
Contract assets	1,063,912	1,029,318
Non-current assets due within one year	2,040	2,041
Other current assets	135	281
<b>Total Current Assets</b>	<b>87,582,702</b>	<b>75,066,674</b>
<b>Non-current Assets:</b>		
Long-term receivables	251,531	251,531
Long-term equity investments	94,671,309	95,704,384
Investments in other equity instrument	763	757
Fixed assets	20,676	18,742
Construction in progress	29,208	–
Right-of-use assets	12,112	20,787
Intangible assets	9,251	9,398
Other non-current assets	613,706	612,532
<b>Total Non-current Assets</b>	<b>95,608,556</b>	<b>96,618,131</b>
<b>TOTAL ASSETS</b>	<b>183,191,258</b>	<b>171,684,805</b>

**THE COMPANY'S BALANCE SHEET (CONTINUED)**

30 June 2024

Unit: RMB'000

Items	30 June 2024	31 December 2023
<b>Current Liabilities:</b>		
Short-term borrowings	22,244,817	9,729,089
Derivative financial liabilities	635,065	435,537
Accounts payable	2,070,810	2,119,305
Contract liabilities	533,082	549,679
Employee benefits payable	18,222	17,098
Taxes payable	39,099	45,298
Other payables	38,343,211	42,863,636
Non-current liabilities due within one year	36,786	26,334
<b>Total Current Liabilities</b>	<b>63,921,092</b>	<b>55,785,976</b>
<b>Non-current Liabilities:</b>		
Long-term borrowings	449,080	449,080
Bonds payable	2,000,000	–
Lease liabilities	227	227
Long-term employee benefits payable	61,600	60,451
Provisions	62,805	–
Deferred income	3,598	3,598
<b>Total Non-current Liabilities</b>	<b>2,577,310</b>	<b>513,356</b>
<b>TOTAL LIABILITIES</b>	<b>66,498,402</b>	<b>56,299,332</b>



**THE COMPANY'S BALANCE SHEET (CONTINUED)**

30 June 2024

Unit: RMB'000

Items	30 June 2024	31 December 2023
<b>Shareholders' Equity:</b>		
Share capital	20,723,619	20,723,619
Other equity instruments	51,400,000	47,400,000
Including: Perpetual bonds	51,400,000	47,400,000
Capital reserve	37,884,766	37,888,131
Other comprehensive income	(2,646)	(3,498)
Special reserve	12,550	12,550
Surplus reserve	3,391,294	3,391,294
Retained earnings	3,283,273	5,973,377
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>116,692,856</b>	<b>115,385,473</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>183,191,258</b>	<b>171,684,805</b>

This financial statement is signed by the following person:

*Chairman:*  
**Chen Jianguang**

*General Accountant:*  
**Zou Hongying**

*Financial Controller:*  
**Li Yifeng**

## VII. CONSOLIDATED AND THE COMPANY'S INCOME STATEMENTS

### CONSOLIDATED INCOME STATEMENT

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>I. Total operating revenue</b>	<b>298,841,527</b>	334,458,860
Less: Operating costs	<b>271,800,189</b>	303,470,277
Taxes and levies	<b>911,497</b>	995,124
Selling expenses	<b>1,386,378</b>	1,392,314
Administrative expenses	<b>5,708,421</b>	5,425,525
Research and development expenses	<b>8,066,189</b>	9,089,092
Financial expenses	<b>637,300</b>	248,599
Including: Interest expenses	<b>1,305,831</b>	1,380,651
Interest income	<b>973,653</b>	968,978
Add: Other income	<b>249,163</b>	195,212
Investment losses	<b>(600,908)</b>	(701,874)
Including: Gains from investments in associates and joint ventures	<b>19,421</b>	106,708
Losses from derecognition of financial assets at amortized cost	<b>(401,664)</b>	(709,780)
Losses from changes in fair values	<b>(216,602)</b>	(328,383)
Credit impairment losses	<b>(2,776,908)</b>	(1,831,302)
Impairment losses of assets	<b>(2,089,156)</b>	(1,250,783)
Gains on disposal of assets	<b>847,464</b>	33,959
<b>II. Operating profit</b>	<b>5,744,606</b>	9,954,758
Add: Non-operating income	<b>142,293</b>	69,728
Less: Non-operating expenses	<b>205,751</b>	125,908
<b>III. Total profit</b>	<b>5,681,148</b>	9,898,578
Less: Income tax expenses	<b>980,516</b>	1,219,604

**CONSOLIDATED INCOME STATEMENT (CONTINUED)***For the six months period ended 30 June 2024**Unit: RMB'000*

Items	Amount for the current period	Amount for the prior period
<b>IV. Net profit</b>	<b>4,700,632</b>	8,678,974
(I) Net profit classified by operating continuity		
Net profit from continuing operations	<b>4,700,632</b>	8,678,974
(II) Net profit classified by ownership ascription		
Net profit attributable to shareholders of the Company	<b>4,149,738</b>	7,217,536
Net profit attributable to non-controlling interests	<b>550,894</b>	1,461,438
<b>V. Other comprehensive (losses)/income, net of income tax</b>	<b>(260,201)</b>	257,598
Other comprehensive income attributable to shareholders of the Company, net of income tax	<b>(270,496)</b>	174,195
(I) Items that will not be reclassified to profit or loss	<b>(18,012)</b>	(33,189)
1. Re-measurement of defined benefit obligations	<b>(76,465)</b>	(62,646)
2. Other comprehensive losses that cannot be reclassified to profit or loss under the equity method	<b>(10)</b>	(8)
3. Changes in fair values of investments in other equity instruments	<b>58,463</b>	29,465
(II) Items that may be reclassified to profit or loss	<b>(252,484)</b>	207,384
1. Other comprehensive (losses)/income that can be reclassified to profit or loss under the equity method	<b>(309)</b>	668
2. Changes of fair value of receivables at FVTOCI	<b>26,284</b>	1,883
3. Exchange differences on translating financial statements in foreign currencies	<b>(278,459)</b>	204,833
Other comprehensive income attributable to non-controlling interests, net of income tax	<b>10,295</b>	83,403

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>VI. Total comprehensive income</b>	<b>4,440,431</b>	8,936,572
Total comprehensive income attributable to shareholders of the Company	<b>3,879,242</b>	7,391,731
Total comprehensive income attributable to non-controlling interests	<b>561,189</b>	1,544,841
<b>VII. Earnings per share</b>		
(I) Basic earnings per share (RMB/share)	<b>0.11</b>	0.26
(II) Diluted earnings per share (RMB/share)	<b>0.11</b>	0.26

This financial statement is signed by the following person:

*Chairman:*  
**Chen Jianguang**

*General Accountant:*  
**Zou Hongying**

*Financial Controller:*  
**Li Yifeng**

## THE COMPANY'S INCOME STATEMENT

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>I. Total operating revenue</b>	<b>100,325</b>	425,918
Less: Operating costs	<b>105,751</b>	347,345
Taxes and levies	<b>3,093</b>	3,716
Administrative expenses	<b>142,688</b>	98,550
Financial expenses	<b>(469,669)</b>	(490,341)
Including: Interest expenses	<b>659,468</b>	975,333
Interest income	<b>1,145,230</b>	1,216,722
Add: Other income	<b>808</b>	662
Investment income	<b>533,613</b>	265,670
Including: Gains/(losses) from investments in associates and joint ventures	<b>19</b>	(649)
Losses from changes in fair values	<b>(212,204)</b>	(294,812)
Credit impairment reversal/(losses)	<b>46,698</b>	(3,803)
Impairment (losses)/reversal of assets	<b>(554)</b>	935
Gain on disposal of assets	<b>49</b>	–
<b>II. Operating profit</b>	<b>686,872</b>	435,300
Add: Non-operating income	<b>200</b>	–
Less: Non-operating expenses	<b>63,082</b>	4
<b>III. Total profit</b>	<b>623,990</b>	435,296
Less: Income tax expenses	<b>–</b>	6,815
<b>IV. Net profit</b>	<b>623,990</b>	428,481
Net profit from continuing operations	<b>623,990</b>	428,481

**THE COMPANY'S INCOME STATEMENT(CONTINUED)***For the six months period ended 30 June 2024**Unit: RMB'000*

<b>Items</b>	<b>Amount for the current period</b>	<b>Amount for the prior period</b>
<b>V. Other comprehensive income/(losses), net of income tax</b>	<b>852</b>	<b>(1,767)</b>
(I) Items that will not be reclassified to profit or loss	<b>(1,827)</b>	<b>(1,767)</b>
1. Changes in re-measurement of defined benefit obligations	<b>(1,832)</b>	<b>(1,775)</b>
2. Changes in fair values of investments in other equity instruments	<b>5</b>	<b>8</b>
(II) Items that will be reclassified to profit or loss	<b>2,679</b>	<b>–</b>
1. Items that may be reclassified to profit or loss in equity method	<b>2,679</b>	<b>–</b>
<b>VI. Total comprehensive income</b>	<b>624,842</b>	<b>426,714</b>

This financial statement is signed by the following person:

*Chairman:*  
**Chen Jianguang**

*General Accountant:*  
**Zou Hongying**

*Financial Controller:*  
**Li Yifeng**

## VIII. CONSOLIDATED AND THE COMPANY'S CASH FLOWS STATEMENTS

### CONSOLIDATED CASH FLOW STATEMENT

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>I. Cash Flows from Operating Activities</b>		
Cash receipts from the sale of goods and the rendering of services	<b>191,504,891</b>	235,624,983
Receipts of tax refunds	<b>393,518</b>	513,796
Other cash receipts relating to operating activities	<b>5,614,622</b>	2,147,291
	<b>197,513,031</b>	238,286,070
Sub-total of cash inflows from operating activities		
Cash payments for goods purchased and services received	<b>194,874,669</b>	220,328,166
Cash payments to and on behalf of employees	<b>14,760,187</b>	14,744,142
Payments of various types of taxes	<b>6,075,910</b>	5,861,211
Other cash payments relating to operating activities	<b>10,208,425</b>	11,868,970
	<b>225,919,191</b>	252,802,489
Sub-total of cash outflows from operating activities		
<b>Net Cash Flows from Operating Activities</b>	<b>(28,406,160)</b>	(14,516,419)



## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>II. Cash Flows from Investing Activities</b>		
Cash receipts from disposals and recovery of investments	<b>340,809</b>	429,350
Cash receipts from investment income	<b>77,372</b>	135,467
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	<b>491,847</b>	54,263
Net cash receipts from disposal of subsidiaries and other business units	–	247,118
Other cash receipts relating to investing activities	<b>97,021</b>	516,868
	<b>1,007,049</b>	1,383,066
Sub-total of cash inflows from investing activities		
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	<b>1,535,215</b>	1,495,654
Cash payments to acquire investments	<b>946,037</b>	2,382,192
Other cash payments relating to investing activities	<b>226,729</b>	22,935
	<b>2,707,981</b>	3,900,781
Sub-total of cash outflows from investing activities		
<b>Net Cash Flows used in Investing Activities</b>	<b>(1,700,932)</b>	<b>(2,517,715)</b>

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>III. Cash Flows from Financing Activities</b>		
Cash receipts from capital contributions	<b>3,992,356</b>	18,000,490
Including: Cash receipts from capital contributions by non-controlling interests of subsidiaries	<b>875</b>	490
Cash receipts from issue of perpetual bond	<b>3,991,481</b>	18,000,000
Cash receipts from borrowings	<b>155,459,128</b>	106,047,192
Other cash receipts relating to financing activities	<b>–</b>	35,858
Sub-total of cash inflows from financing activities	<b>159,451,484</b>	124,083,540
Cash repayments of borrowings	<b>121,015,341</b>	79,617,918
Cash payments for distribution of dividends or profits or settlement of interest expenses	<b>2,920,923</b>	2,968,819
Including: Payments for distribution of dividends or profits to non-controlling interests of subsidiaries	<b>237,751</b>	675,147
Other cash payments relating to financing activities	<b>3,810,451</b>	10,393,938
Sub-total of cash outflows from financing activities	<b>127,746,715</b>	92,980,675
<b>Net Cash Flows from Financing Activities</b>	<b>31,704,769</b>	31,102,865

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>11,686</b>	136,578
<b>V. Net Increase in Cash and Cash Equivalents</b>	<b>1,609,363</b>	14,205,309
Add: Opening balance of Cash and Cash equivalents	<b>33,850,108</b>	33,468,217
<b>VI. Closing Balance of Cash and Cash Equivalents</b>	<b>35,459,471</b>	47,673,526

This financial statement is signed by the following person:

*Chairman:*  
**Chen Jianguang**

*General Accountant:*  
**Zou Hongying**

*Financial Controller:*  
**Li Yifeng**

## THE COMPANY'S CASH FLOW STATEMENT

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>I. Cash Flows from Operating Activities</b>		
Cash receipts from the sale of goods and the rendering of services	27,054	822,886
Other cash receipts relating to operating activities	459,398	566,498
Sub-total of cash inflows from operating activities	486,452	1,389,384
Cash payments for goods purchased and services received	130,435	700,342
Cash payments to and on behalf of employees	114,368	82,974
Payments of various types of taxes	10,864	17,190
Other cash payments relating to operating activities	413,303	608,891
Sub-total of cash outflows from operating activities	668,970	1,409,397
<b>Net Cash Flows used in Operating Activities</b>	<b>(182,518)</b>	<b>(20,013)</b>

## THE COMPANY'S CASH FLOW STATEMENT (CONTINUED)

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>II. Cash Flows from Investing Activities</b>		
Cash receipts from returns on investments	1,550,364	60,000
Cash receipts from investment income	703,096	346,407
Net cash receipts from disposal of subsidiaries and other business units	–	2,098
Other cash receipts relating to investing activities	<u>14,312,330</u>	<u>11,735,452</u>
Sub-total of cash inflows from investing activities	<u>16,565,790</u>	<u>12,143,957</u>
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	16,500	580
Cash payments to acquire investments	551,000	1,187,726
Other cash payments relating to investing activities	<u>25,879,122</u>	<u>15,555,726</u>
Sub-total of cash outflows from investing activities	<u>26,446,622</u>	<u>16,744,032</u>
<b>Net Cash Flows used in Investing Activities</b>	<u>(9,880,832)</u>	<u>(4,600,075)</u>

## THE COMPANY'S CASH FLOW STATEMENT (CONTINUED)

For the six months period ended 30 June 2024

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
<b>III. Cash Flows from Financing Activities</b>		
Cash receipts from investments	3,991,481	18,000,000
Cash receipts from borrowings	111,950,470	65,205,125
Other cash receipts relating to financing activities	204,926,432	175,611,897
Sub-total of cash inflows from financing activities	320,868,383	258,817,022
Cash repayments of borrowings	97,441,241	60,195,422
Cash payments for distribution of dividends or profits or settlement of interest expenses	1,298,674	737,527
Other cash payments relating to financing activities	212,114,600	189,910,532
Sub-total of cash outflows from financing activities	310,854,515	250,843,481
<b>Net Cash Flows from Financing Activities</b>	<b>10,013,868</b>	<b>7,973,541</b>
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(31,567)</b>	<b>28,164</b>
<b>V. Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(81,049)</b>	<b>3,381,617</b>
Add: Opening balance of Cash and Cash equivalents	968,955	4,551,152
<b>VI. Closing Balance of Cash and Cash Equivalents</b>	<b>887,906</b>	<b>7,932,769</b>

This financial statement is signed by the following person:

*Chairman:*  
**Chen Jianguang**

*General Accountant:*  
**Zou Hongying**

*Financial Controller:*  
**Li Yifeng**

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

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB'000

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



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

*Unit: RMB'000*

	For the six months period ended 30 June 2023								
	Attributable to shareholders of the Company								
	Share capital	Other equity instruments (Perpetual bonds)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Non-controlling interests	Total shareholders' equity
<b>I. Closing balance of the preceding period</b>	20,723,619	28,500,000	22,601,592	1,084,471	119,813	2,976,424	45,102,415	40,800,791	161,909,125
Add: Changes in accounting policies	-	-	-	-	-	-	7,927	510	8,437
<b>II. Opening balance of the current period</b>	20,723,619	28,500,000	22,601,592	1,084,471	119,813	2,976,424	45,110,342	40,801,301	161,917,562
<b>III. Changes for the period</b>	-	15,000,000	(5,649)	174,623	225,681	-	3,759,852	(6,017,074)	13,137,433
(I) Total comprehensive income	-	-	-	174,195	-	-	7,217,536	1,544,841	8,936,572
(II) Shareholders' contributions and reduction in capital	-	15,000,000	(5,649)	-	-	-	5,497	(6,898,267)	8,101,581
1. Capital contribution from shareholders	-	-	-	-	-	-	-	490	490
2. Capital contribution from other equity instruments' holders	-	18,000,000	(13,115)	-	-	-	-	-	17,986,885
3. Capital reduction from other equity instruments' holders	-	(3,000,000)	-	-	-	-	(17,357)	(6,892,172)	(9,909,529)
4. Acquisition of subsidiaries	-	-	-	-	-	-	-	34,184	34,184
5. Transaction with non-controlling interests	-	-	5,041	-	-	-	22,349	(41,510)	(14,120)
6. Others	-	-	2,425	-	-	-	505	741	3,671
(III) Profit distribution	-	-	-	-	-	-	(3,462,753)	(672,997)	(4,135,750)
1. Distributions to shareholders	-	-	-	-	-	-	(1,720,060)	(504,100)	(2,224,160)
2. Distributions of perpetual bond interest	-	-	-	-	-	-	(1,742,693)	(168,897)	(1,911,590)
(IV) Transfers within shareholders' equity	-	-	-	428	-	-	(428)	-	-
1. Other comprehensive income carried forward to retained earnings	-	-	-	428	-	-	(428)	-	-
(V) Special reserve	-	-	-	-	225,681	-	-	9,349	235,030
1. Transfer to special reserve in the current period	-	-	-	-	5,442,657	-	-	380,396	5,823,053
2. Amount utilized in the current period	-	-	-	-	(5,216,976)	-	-	(371,047)	(5,588,023)
<b>IV. Closing balance of the current period</b>	<u>20,723,619</u>	<u>43,500,000</u>	<u>22,595,943</u>	<u>1,259,094</u>	<u>345,494</u>	<u>2,976,424</u>	<u>48,870,194</u>	<u>34,784,227</u>	<u>175,054,995</u>

This financial statement is signed by the following person:

**Chairman:**  
**Chen Jianguang**

**General Accountant:**  
**Zou Hongying**

**Financial Controller:**  
**Li Yifeng**

# THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB'000

Items	For the six months period ended 30 June 2024							
	Share capital	Other equity instruments (Perpetual bonds)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Total shareholders' equity
I. Opening balance of the current period	20,723,619	47,400,000	37,888,131	(3,498)	12,550	3,391,294	5,973,377	115,385,473
II. Changes for the period	-	4,000,000	(3,365)	852	-	-	(2,690,104)	1,307,383
(I) Total comprehensive income	-	-	-	852	-	-	623,990	624,842
(II) Shareholders' contributions and reduction in capital	-	4,000,000	(3,365)	-	-	-	-	3,996,635
1. Capital contribution from other equity instruments' holders	-	4,000,000	(3,365)	-	-	-	-	3,996,635
2. Capital reduction from other equity instruments' holders	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	(3,314,094)	(3,314,094)
1. Distributions to shareholders	-	-	-	-	-	-	(1,492,101)	(1,492,101)
2. Distributions of perpetual bond interest	-	-	-	-	-	-	(1,821,993)	(1,821,993)
III. Closing balance of the current period	<u>20,723,619</u>	<u>51,400,000</u>	<u>37,884,766</u>	<u>(2,646)</u>	<u>12,550</u>	<u>3,391,294</u>	<u>3,283,273</u>	<u>116,692,856</u>

Unit: RMB'000

Items	For the six months period ended 30 June 2023							
	Share capital	Other equity instruments (Perpetual bonds)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Total shareholders' equity
I. Opening balance of the current period	20,723,619	28,500,000	37,907,129	(4,125)	12,550	2,976,424	5,742,045	95,857,642
II. Changes for the period	-	15,000,000	(13,115)	(1,767)	-	-	(3,034,272)	11,950,846
(I) Total comprehensive income	-	-	-	(1,767)	-	-	428,481	426,714
(II) Shareholders' contributions and reduction in capital	-	15,000,000	(13,115)	-	-	-	-	14,986,885
1. Capital contribution from other equity instruments' holders	-	18,000,000	(13,115)	-	-	-	-	17,986,885
2. Capital reduction from other equity instruments' holders	-	(3,000,000)	-	-	-	-	-	(3,000,000)
(III) Profit distribution	-	-	-	-	-	-	(3,462,753)	(3,462,753)
1. Distributions to shareholders	-	-	-	-	-	-	(1,720,060)	(1,720,060)
2. Distributions of perpetual bond interest	-	-	-	-	-	-	(1,742,693)	(1,742,693)
III. Closing balance of the current period	<u>20,723,619</u>	<u>43,500,000</u>	<u>37,894,014</u>	<u>(5,892)</u>	<u>12,550</u>	<u>2,976,424</u>	<u>2,707,773</u>	<u>107,808,488</u>

This financial statement is signed by the following person:

*Chairman:*  
**Chen Jianguang**

*General Accountant:*  
**Zou Hongying**

*Financial Controller:*  
**Li Yifeng**

## X. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### (I) BASIC INFORMATION OF THE COMPANY

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

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

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

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

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

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

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

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

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

These financial statements had been approved by the Board on 29 August 2024.

## **(II) BASIS OF PREPARATION OF THE FINANCIAL STATEMENT**

### **1. *Basis of preparation***

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

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

### **2. *Statement of compliance***

These financial statements are in compliance with the ASBEs to truly and completely reflect consolidated and the Company’s financial position at 30 June 2024 and consolidated and the Company’s operating results and cash flows for the period then ended.

### **3. *Accounting period***

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December. The preparation period of these financial statements is from January 1 to June 30 of 2024.

#### 4. *Functional currency*

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

### (III) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

On 1 January, 2024, the Group has applied the provisions of “Classification of Current Liabilities and Non-current Liabilities” and “Accounting Treatment of Sale and Leaseback Transactions” in Interpretation No. 17 of Accounting Standards for Business Enterprises issued by the Ministry of Finance, and the application of the above provisions has no significant impact on the current period and comparison period financial statements of the Group and the Company.

### (IV) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### 1. *Cash and bank balances*

*Unit: RMB’000*

<b>Items</b>	<b>30 June 2024</b>	31 December 2023
Cash	<b>9,475</b>	5,675
Bank deposits	<b>43,151,291</b>	41,006,660
Other cash and bank balances	<b>4,435,711</b>	3,427,934
Total	<b>47,596,477</b>	44,440,269
Including: Total amount of offshore deposits	<b>3,100,690</b>	3,067,248

## 2. Bills receivable

Unit: RMB'000

Items	30 June 2023			31 December 2023		
	Book value	Provisions for credit losses	Carrying amount	Book value	Provisions for credit losses	Carrying amount
Bank acceptance bills	3,103,912	12,533	3,091,379	3,005,711	18,848	2,986,863
Commercial acceptance bills	3,384,954	59,023	3,325,931	2,650,169	53,328	2,596,841
Total	<u>6,488,866</u>	<u>71,556</u>	<u>6,417,310</u>	<u>5,655,880</u>	<u>72,176</u>	<u>5,583,704</u>

## 3. Accounts receivable

Unit: RMB'000

Aging	30 June 2024	31 December 2023
Within 1 year	140,054,317	95,681,657
1 to 2 years	23,388,721	20,939,601
2 to 3 years	13,166,397	12,579,164
3 to 4 years	7,683,459	5,857,627
4 to 5 years	3,726,381	3,868,099
Over 5 years	13,063,472	12,227,224
Total book value	<u>201,082,747</u>	<u>151,153,372</u>
Less: provisions for credit losses	23,587,721	21,116,108
Carrying amount	<u>177,495,026</u>	<u>130,037,264</u>

## 4. Prepayments

Unit: RMB'000

Aging	30 June 2024		31 December 2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	19,842,285	75.95	24,058,890	72.64
1 to 2 years	3,170,637	12.14	5,649,833	17.06
2 to 3 years	1,576,895	6.04	1,702,190	5.14
Over 3 years	1,535,574	5.87	1,710,007	5.16
Total	<u>26,125,391</u>	<u>100.00</u>	<u>33,120,920</u>	<u>100.00</u>



## 5. Other receivables

### 1) Other receivables analyzed by category

Unit: RMB'000

Items	30 June 2024	31 December 2023
Dividend receivables	57,624	112,109
Other receivables	40,402,597	40,324,195
Total	40,460,221	40,436,304

### 2) Other receivables

#### a) Aging analysis

Unit: RMB'000

Aging	30 June 2024	31 December 2023
Within 1 year	14,270,218	14,240,237
1 to 2 years	6,726,894	6,128,172
2 to 3 years	7,951,306	8,136,986
3 to 4 years	3,601,822	4,416,746
4 to 5 years	2,400,061	3,137,130
Over 5 years	15,290,432	13,799,303
Total book value	50,240,733	49,858,574
Less: provisions for credit losses	9,838,136	9,534,379
Carrying amount	40,402,597	40,324,195

b) Other receivables categorized by nature

Unit: RMB'000

Nature of other receivables	Book value on 30 June 2024	Book value on 31 December 2023
Deposits, guarantee funds	20,093,091	19,766,030
Advances	11,227,894	10,958,639
Loan receivables from related parties	9,393,817	9,716,294
Receivables on disposal of investments	3,184,893	3,414,423
Reserves	267,676	281,480
Others	6,073,362	5,721,708
Total	<u>50,240,733</u>	<u>49,858,574</u>

6. Inventories

1) Categories of inventories

Unit: RMB'000

Items	30 June 2024			31 December 2023		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Raw materials	2,120,562	24,797	2,095,765	2,440,668	26,094	2,414,574
Materials procurement	13,517	10	13,507	41,013	10	41,003
Outsourced processing materials	5,550	-	5,550	6,398	-	6,398
Work in progress	2,367,204	332,575	2,034,629	2,175,463	326,968	1,848,495
Finished goods	2,230,527	109,689	2,120,838	2,391,947	115,667	2,276,280
Turnover materials	458,494	1,226	457,268	499,575	1,014	498,561
Performance costs of contracts	86,581	-	86,581	95,871	-	95,871
Properties under development (a)	45,264,634	679,741	44,584,893	45,192,629	25,734	45,166,895
Completed properties held for sale (b)	30,479,322	1,881,971	28,597,351	29,244,038	1,516,601	27,727,437
Total	<u>83,026,391</u>	<u>3,030,009</u>	<u>79,996,382</u>	<u>82,087,602</u>	<u>2,012,088</u>	<u>80,075,514</u>

2) *Provision for decline in value of inventories*

*Unit: RMB'000*

Items	31 December 2023	Increase		Decrease			30 June 2024
		Provision	Other Changes	Reversals	Write-offs	Other Changes	
Raw materials	26,094	86	-	220	1,163	-	<b>24,797</b>
Materials procurement	10	-	-	-	-	-	<b>10</b>
Work in progress	326,968	9,499	-	-	3,892	-	<b>332,575</b>
Finished goods	115,667	20,107	-	-	26,085	-	<b>109,689</b>
Turnover materials	1,014	212	-	-	-	-	<b>1,226</b>
Properties under development	25,734	654,007	-	-	-	-	<b>679,741</b>
Completed properties held for sale	<u>1,516,601</u>	<u>451,769</u>	<u>732</u>	<u>-</u>	<u>87,131</u>	<u>-</u>	<u><b>1,881,971</b></u>
Total	<u>2,012,088</u>	<u>1,135,680</u>	<u>732</u>	<u>220</u>	<u>118,271</u>	<u>-</u>	<u><b>3,030,009</b></u>

7. *Contract assets*

1) *Presentation of contract assets*

*Unit: RMB'000*

Items	30 June 2024			31 December 2023		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Contract assets interrelated with engineering contracting services	<b>170,171,750</b>	<b>6,173,846</b>	<b>163,997,904</b>	125,250,114	5,192,720	120,057,394
Contract assets interrelated with quality guarantee deposits	<u>2,390,285</u>	<u>149,823</u>	<u>2,240,462</u>	<u>1,950,598</u>	<u>174,283</u>	<u>1,776,315</u>
Total	<u><b>172,562,035</b></u>	<u><b>6,323,669</b></u>	<u><b>166,238,366</b></u>	<u>127,200,712</u>	<u>5,367,003</u>	<u>121,833,709</u>

2) *West Australia SINO Iron Mining Project*

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

As of 31 December 2013, the first and the second production lines of the project 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 works 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 was completed. For the third to sixth production lines of the project, Western Australia and Northern Engineering & Technology Corporation, a subsidiary of the Company, has entered into the Project Management Service Agreement and Engineering Design and Equipment Procurement Management Technology Service Agreement, respectively, with 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 for 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 and the contract assets based on expected credit losses. In the opinion of the Group, although the final contract amount shall be confirmed after the auditing of the third party, the consensus between the Group and CITIC Group for the previously agreed construction costs of USD4.357 billion mentioned in the paragraph above remained unchanged. The Group reasonably expected that the consensus should not have any significant change and recognized no additional contract losses as at 30 June 2024.

On 30 June 2024, the accounts receivable for the above items amounted to RMB1,724,876,000, and the contract assets of the project mentioned above amounted to RMB3,812,911,000. 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.

## 8. Long-term receivables

*Unit: RMB'000*

Items	30 June 2024	31 December 2023	discount rate range
Long-term receivables on project	61,995,725	59,613,587	3.45%-5.00%
Long-term loans	1,292,932	431,347	3.59%-4.88%
Receivables on disposal of equity investments	333,485	333,485	4.90%
Others	565,616	615,559	5.05%
 Total book value	 64,187,758	 60,993,978	 /
 Less: Provisions for credit losses of long-term receivables	 3,050,809	 3,081,317	 /
Total carrying amount	61,136,949	57,912,661	/
 Less: Long-term receivables due within 1 year, net	 7,814,039	 7,087,526	 /
Long-term receivables due over 1 year, net	53,322,910	50,825,135	/

## 9. Bills payable

Unit: RMB'000

Category	30 June 2024	31 December 2023
Bank acceptance bills	31,066,034	29,881,702
Commercial acceptance bills	1,318,297	1,835,388
Total	<u>32,384,331</u>	<u>31,717,090</u>

## 10. Accounts payable

### 1) Presentation of accounts payable

Unit: RMB'000

Items	30 June 2024	31 December 2023
Project fees	189,828,669	157,758,613
Purchases	69,234,185	58,948,809
Labor fees	25,317,329	19,005,437
Retention money	1,817,846	1,842,200
Design fees	750,719	523,730
Others	2,562,229	2,315,350
Total	<u>289,510,977</u>	<u>240,394,139</u>

### 2) Aging analysis of accounts payable

Unit: RMB'000

Aging	30 June 2024	31 December 2023
Within 1 year	225,797,210	183,907,341
1 to 2 years	36,670,969	31,403,823
2 to 3 years	12,801,225	12,250,222
Over 3 years	14,241,573	12,832,753
Total	<u>289,510,977</u>	<u>240,394,139</u>

## 11. Contract liabilities

Unit: RMB'000

Items	30 June 2024	31 December 2023
Contract liabilities relating to engineering contracting service contracts	51,763,622	54,115,408
Contract liabilities relating to pre-sales deposits	6,905,148	6,451,611
Contract liabilities relating to sales contracts	2,336,163	1,952,976
Contract liabilities relating to contracts of other customers	1,292,734	2,299,387
Total	<u>62,297,667</u>	<u>64,819,382</u>

## 12. Other payables

### 1) Other payables disclosed by nature

Unit: RMB'000

Categories	30 June 2024	31 December 2023
Interest payable	20,362	15,768
Dividends payable	3,283,282	1,012,864
Other payables	44,269,323	39,241,059
Total	<u>47,572,967</u>	<u>40,269,691</u>

2) *Dividends payable*

*Unit: RMB'000*

<b>Items</b>	<b>30 June 2024</b>	31 December 2023
Interest on perpetual bonds classified as equity instrument	1,554,755	671,145
Other dividends	1,728,527	341,719
Total	3,283,282	1,012,864

(3) *Other payables*

*Unit: RMB'000*

<b>Items</b>	<b>30 June 2024</b>	31 December 2023
Current accounts	22,811,242	17,880,541
Guarantee deposits	15,157,434	14,950,524
Security deposits	1,431,994	1,267,489
Others	4,868,653	5,142,505
Total	44,269,323	39,241,059



### 13. Operating revenue and operating costs

Unit: RMB'000

Items	Amount the current period		Amount the prior period	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Principal business	298,172,758	271,365,047	333,810,924	303,111,463
Other business	668,769	435,142	647,936	358,814
Total	<u>298,841,527</u>	<u>271,800,189</u>	<u>334,458,860</u>	<u>303,470,277</u>

### 14. Taxes and levies

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
Stamp duty	190,443	164,765
Property tax	170,999	142,142
City construction and maintenance tax	160,682	156,771
Education surcharges	127,810	121,142
Land use tax	62,312	55,578
Land appreciation tax	25,742	210,256
Others	173,509	144,470
Total	<u>911,497</u>	<u>995,124</u>

## 15. Selling expenses

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
Employee benefits	694,783	652,526
Advertising and sales service expenses	253,199	314,718
Travelling expenses	137,969	125,773
Office expenses	83,170	90,704
Lease rentals	44,492	51,030
Consulting expenses	37,750	21,389
Depreciation of fixed assets	5,055	5,275
Others	129,960	130,899
Total	<b>1,386,378</b>	<b>1,392,314</b>

## 16. Administrative expenses

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
Employee benefits	3,924,942	3,655,850
Depreciation of fixed assets	257,802	249,706
Travelling expenses	197,555	199,368
Office expenses	188,505	191,730
Professional service fees	151,758	173,171
Lease rentals	126,597	103,695
Amortization of intangible assets	99,332	91,823
Repairs and maintenance expenses	38,726	49,222
Others	723,204	710,960
Total	<b>5,708,421</b>	<b>5,425,525</b>

### 17. Research and development expenditure

Unit: RMB'000

<b>Items</b>	<b>Amount for the current period</b>	<b>Amount for the prior period</b>
Research and development material expenditure	5,482,836	6,434,192
Employee benefits	2,254,124	2,286,810
Depreciation of fixed assets	79,404	56,695
Amortization of intangible assets	12,645	13,859
Others	237,180	297,536
Total	<b>8,066,189</b>	<b>9,089,092</b>

### 18. Financial expenses

Unit: RMB'000

<b>Items</b>	<b>Amount for the current period</b>	<b>Amount for the prior period</b>
Interest expenses	1,773,610	2,059,523
Less: Capitalized interests	467,779	678,872
Less: Interest income	973,653	968,978
Exchange gains	(9,214)	(536,326)
Bank charges	291,060	297,547
Interest expenses of lease liabilities	17,807	18,284
Others	5,469	57,421
Total	<b>637,300</b>	<b>248,599</b>

## 19. Credit impairment losses

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
Reversal/(loss) from impairment of bills receivable	620	(20,979)
Loss from impairment of accounts receivable	(2,475,191)	(1,170,361)
Loss from impairment of other receivables	(331,612)	(407,976)
Reversal/(loss) from impairment of long-term receivables	29,275	(231,986)
Total	<u>(2,776,908)</u>	<u>(1,831,302)</u>

## 20. Impairment losses of assets

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
Loss from impairment of inventories	(1,135,460)	(160,620)
Loss from impairment of contract assets	(957,186)	(984,959)
Loss from impairment of long-term equity investments	(1,626)	–
Loss from impairment of fixed assets	–	(14,683)
Loss from impairment of construction in progress	–	(63,729)
Reversal/(loss) from impairment of other non-current assets	493	(26,792)
Reversal/(loss) from impairment of other current assets	4,623	–
Total	<u>(2,089,156)</u>	<u>(1,250,783)</u>

## 21. Investment losses

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
Gains from long-term equity investments under equity method	19,421	106,708
Investment income on disposal of long-term equity investments	4,123	83,800
Investment loss from disposal of financial assets held-for-trading	–	(2,551)
Investment income from disposal of other non-current financial assets	–	6,957
Investment loss from disposal of receivables at FVTOCI	(141,593)	(178,040)
Investment income from holding investments in other equity instruments	1,098	1,698
Investment income from holding other non-current financial assets	6,544	13,003
Losses from derecognition of financial assets at amortized cost	(401,664)	(709,780)
Others	(88,837)	(23,669)
Total	<b>(600,908)</b>	<b>(701,874)</b>

## 22. Non-operating income

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period	Recognized in non-recurring profit or loss for the current period
Income from penalty	10,466	26,514	10,466
Government grants	14,857	5,842	14,857
Unpayable balances	43,037	7,736	43,037
Others	73,933	29,636	73,933
Total	<u>142,293</u>	<u>69,728</u>	<u>142,293</u>

## 23. Non-operating expenses

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period	Recognized in non-recurring profit or loss for the current period
Litigation estimated liabilities	67,450	57,853	67,450
Compensation and default payments	108,412	37,264	108,412
Loss on damage and retirement of non-current assets	7,443	5,059	7,443
Fines and surcharges for overdue payments	6,656	11,968	6,656
Donations	7,198	658	7,198
Others	8,592	13,106	8,592
Total	<u>205,751</u>	<u>125,908</u>	<u>205,751</u>

## 24. Income tax expenses

### 1) Income tax expenses

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
Current year tax expenses	1,825,773	1,553,515
Deferred tax expenses	(845,257)	(333,911)
Total	<b>980,516</b>	<b>1,219,604</b>

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

Unit: RMB'000

Items	Amount for the current period	Amount for the prior period
Total profit	5,681,148	9,898,578
Income tax expenses calculated at the tax rate of 25%	1,420,287	2,474,645
Effect of difference between applicable tax rate and statutory tax rate	(622,942)	(661,352)
Income not subject to tax	(30,408)	(68,515)
Expenses not deductible for tax purposes	111,569	89,866
Utilization of tax losses and other temporary differences for which no deferred income tax assets were recognized previously	(210,527)	(281,135)

<b>Items</b>	<b>Amount for the current period</b>	Amount for the prior period
Tax losses and other temporary differences for which no deferred income tax assets were recognized	<b>825,196</b>	563,328
Additional deduction for R&D expenses and others	<b>(512,659)</b>	(897,233)
Income tax expense	<b><u>980,516</u></b>	<b><u>1,219,604</u></b>

Most of the companies now comprising the Group are subject to PRC enterprise income tax, which have been provided based on the statutory income tax rate of 25% on the assessable income during the current period as determined in accordance with the relevant PRC income tax rules and regulations except for certain subsidiaries which were exempted from tax or taxed at preferential rate.

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



## 25. Other comprehensive income

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

*Unit: RMB '000*

Items	31 December 2023	Attributable to owners of the Company, net of income tax	Less: Retained earnings transferred from other comprehensive income	30 June 2024
Other comprehensive income that will not be reclassified to profit or loss				
Changes in re-measurement of defined benefit obligations	28,578	(76,465)	–	(47,887)
Other comprehensive income that cannot be transferred to profit or loss under equity method	35	(10)	–	25
Fair value changes in investments in other equity instruments	(129,731)	58,463	–	(71,268)
Sub-total	(101,118)	(18,012)	–	(119,130)
Other comprehensive income that may be reclassified to profit or loss				
Other comprehensive income that may be transferred to profit or loss under equity method	21,712	(309)	–	21,403
Changes in fair value of receivables at FVTOCI	(102,938)	26,284	–	(76,654)
Exchange differences on translating foreign operations	1,293,819	(278,459)	–	1,015,360
Sub-total	1,212,593	(252,484)	–	960,109
Total	<u>1,111,475</u>	<u>(270,496)</u>	<u>–</u>	<u>840,979</u>

Other comprehensive income incurred:

*Unit: RMB'000*

<b>Items</b>	<b>Other comprehensive income before tax for the current period</b>	<b>Less: Income tax expenses</b>	<b>Attributable to owners of the Company, net of income tax</b>	<b>Attributable to non- controlling interests, net of income tax</b>
Other comprehensive income that will not be reclassified to profit or loss				
Changes in re-measurement of defined benefit obligations	(83,430)	(1,585)	(76,465)	(5,380)
Other comprehensive income that cannot be transferred to profit or loss under equity method	(10)	–	(10)	–
Fair value changes in investments in other equity instruments	74,737	16,148	58,463	126
Other comprehensive income that may be reclassified to profit or loss				
Other comprehensive income that may be transferred to profit or loss under equity method	(1,453)	–	(309)	(1,144)
Changes in fair value of receivables at FVTOCI	35,849	3,927	26,284	5,638
Exchange differences on translating foreign operations	(267,404)	–	(278,459)	11,055
<b>Total</b>	<b>(241,711)</b>	<b>18,490</b>	<b>(270,496)</b>	<b>10,295</b>

## 26. Earnings per share

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

Unit: RMB'000

<b>Items</b>	<b>Amount for the current period</b>	Amount for the prior period
Net profit for the current period attributable to shareholders of the Company	<b>4,149,738</b>	7,217,536
Including: Net profit from continuing operations	<b>4,149,738</b>	7,217,536
Less: The effect of other equity instruments interest	<b>1,821,993</b>	1,742,693
Net profit for the current period attributable to ordinary shareholders	<b><u>2,327,745</u></b>	<b><u>5,474,843</u></b>

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

*All amounts in thousand shares*

<b>Items</b>	<b>Amount for the current period</b>	Amount for the prior period
Number of ordinary shares outstanding at the beginning of the period	<b>20,723,619</b>	20,723,619
Add: Weighted average number of ordinary shares issued during the period	–	–
Less: Weighted average number of ordinary shares repurchased during the period	–	–
Number of ordinary shares outstanding at the end of the period	<b><u>20,723,619</u></b>	<b><u>20,723,619</u></b>

3) *Earnings per share*

	<i>RMB/share</i>	
<b>Items</b>	<b>Amount for the current period</b>	Amount for the prior period
Calculated based on net profit attributable to ordinary shareholders:		
Basic earnings per share	<b>0.11</b>	0.26
Diluted earnings per share	<b>0.11</b>	0.26
Calculated based on net profit from continuing operations attributable to ordinary shareholders:		
Basic earnings per share	<b>0.11</b>	0.26
Diluted earnings per share	<b>0.11</b>	0.26
Calculated based on net profit from discontinued operations attributable to ordinary shareholders:		
Basic earnings per share	<b>N/A</b>	N/A
Diluted earnings per share	<b>N/A</b>	N/A

## **XI. DIVIDENDS**

During the Reporting Period, the Company had no preliminary proposal for profit distribution or transfer of capital reserve to share capital for the first half of 2024. No interim dividend will be declared by the Board for the Reporting Period.

## XII. CHANGES IN SHARE CAPITAL AND PARTICULARS OF SHAREHOLDERS

### (I) Changes in ordinary shares

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

### (II) Changes in shares subject to selling restrictions

Applicable       Not applicable

### (III) Particulars of Shareholders

#### 1. Total number of Shareholders:

Total number of ordinary Shareholders as at the end of the Reporting Period ( <i>Person</i> )	340,816
Total number of Shareholders of preferred shares whose voting rights have been restored as at the end of the Reporting Period ( <i>Person</i> )	<u><u>0</u></u>

**2. 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<sup>(1)</sup>**

Unit: share

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

Name of Shareholder	Change during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to selling restrictions	Pledged, charged or frozen		Nature of Shareholder
					Status of shares	Amount	
China Metallurgical Group Corporation	0	10,190,955,300	49.18	0	Nil	0	State-owned legal person
HKSCC Nominees Limited <sup>(2)</sup>	122,950	2,842,429,901	13.72	0	Nil	0	Others
China National Petroleum Corporation	0	1,227,760,000	5.92	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	0	589,038,427	2.84	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	-170,099,355	371,707,351	1.79	0	Nil	0	Others
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	31,390,100	84,579,080	0.41	0	Nil	0	Others
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
E-Fund – Agricultural Bank –E-Fund China Securities and Financial Assets Management Program	0	63,516,600	0.31	0	Nil	0	Others
Da Cheng Fund – Agricultural Bank – Da Cheng China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
China AMC Fund – Agricultural Bank – China AMC China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse China Securities and Financial Assets Management Programme	0	63,516,600	0.31	0	Nil	0	Others

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

<b>Name of Shareholder</b>	<b>Number of tradable shares held and not subject to selling restrictions</b>	<b>Types and number of shares</b>	
		<b>Types</b>	<b>Number</b>
China Metallurgical Group Corporation	10,190,955,300	RMB-denominated ordinary shares	10,190,955,300
HKSCC Nominees Limited <sup>(2)</sup>	2,842,429,901	Overseas-listed foreign shares	2,842,429,901
China National Petroleum Corporation	1,227,760,000	RMB-denominated ordinary shares	1,227,760,000
China Securities Finance Corporation Limited	589,038,427	RMB-denominated ordinary shares	589,038,427
Hong Kong Securities Clearing Company Limited	371,707,351	RMB-denominated ordinary shares	371,707,351
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	84,579,080	RMB-denominated ordinary shares	84,579,080
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
E-Fund – Agricultural Bank –E-Fund China Securities and Financial Assets Management Program	63,516,600	RMB-denominated ordinary shares	63,516,600
Da Cheng Fund – Agricultural Bank – Da Cheng China Securities and Financial Assets Management Programme	63,516,600	RMB-denominated ordinary shares	63,516,600
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Programme	63,516,600	RMB-denominated ordinary shares	63,516,600
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Programme	63,516,600	RMB-denominated ordinary shares	63,516,600
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Programme	63,516,600	RMB-denominated ordinary shares	63,516,600
China AMC Fund – Agricultural Bank – China AMC China Securities and Financial Assets Management Programme	63,516,600	RMB-denominated ordinary shares	63,516,600
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Programme	63,516,600	RMB-denominated ordinary shares	63,516,600
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Programme	63,516,600	RMB-denominated ordinary shares	63,516,600
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse China Securities and Financial Assets Management Programme	63,516,600	RMB-denominated ordinary shares	63,516,600
Explanations on repurchase accounts of the top ten Shareholders	Not Applicable		



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

<b>Name of Shareholder</b>	<b>Number of tradable shares held and not subject to selling restrictions</b>	<b>Types and number of shares</b>
	<b>Types</b>	<b>Number</b>
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	The Company is not aware of any connections or parties acting in concert among the aforesaid Shareholders	
Explanations on the shareholders of preferred shares whose voting rights have been restored and the number of Shares held	Not Applicable	

*Note (1):* Figures in the table were extracted from the Company's register of Shareholders as at 30 June 2024.

*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

*Unit: share*

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

Name of Shareholder (full name)	Shareholding in general account, credit account at the beginning of the period Total		Lending shares outstanding in the margin refinancing at the beginning of the period Total		Shareholding in general account, credit account at the end of the period Total		Lending shares outstanding in the margin refinancing at the end of the period Total	
	volume	Proportion	volume	Proportion	volume	Proportion	volume	Proportion
		(%)		(%)		(%)		(%)

Industrial and

Commercial Bank  
of China Limited –  
Huatai-PineBridge  
CSI 300

Exchange-traded  
Open-end Index  
Securities

Investment Fund	<u>53,188,980</u>	<u>0.26</u>	<u>159,500</u>	<u>0.01</u>	<u>84,579,080</u>	<u>0.41</u>	<u>0</u>	<u>0</u>
-----------------	-------------------	-------------	----------------	-------------	-------------------	-------------	----------	----------

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

### XIII. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in the section headed “Relevant Information on Bonds” below, neither the Company nor its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

### XIV. RELEVANT INFORMATION ON BONDS

#### (I) Corporate bonds (including enterprise bonds)

Applicable  Not Applicable

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

*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	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2021 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	21 MCC MTN004	102103353	28 December 2021 to 29 December 2021	30 December 2021	Exercise date of options redeemed by the issuer, with the first exercise date on 30 December 2024	5	3.30	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2022 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	22 MCC MTN001	102282664	7 December 2022 to 8 December 2022	9 December 2022	Exercise date of options redeemed by the issuer, with the first exercise date on 9 December 2025	20	4.18	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2022 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	22 MCC MTN002	102282722	14 December 2022 to 15 December 2022	16 December 2022	Exercise date of options redeemed by the issuer, with the first exercise date on 16 December 2025	20	4.23	Interests payable per annum, and principal and interest payable upon maturity	National 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	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2022 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	22 MCC MTN003	102282771	21 December 2022 to 22 December 2022	23 December 2022	Exercise date of options redeemed by the issuer, with the first exercise date on 23 December 2025	13	4.12	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN001	102380165	8 February 2023 to 9 February 2023	10 February 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 10 February 2025	20	3.57	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN002	102380190	10 February 2023, 13 February 2023	14 February 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 14 February 2025	20	3.52	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN003	102380222	15 February 2023 to 16 February 2023	17 February 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 17 February 2025	20	3.45	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN004	102380244	17 February 2023, 20 February 2023	21 February 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 21 February 2025	20	3.52	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN005	102380443	8 March 2023 to 9 March 2023	10 March 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 10 March 2025	20	3.37	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN006	102380488	10 March 2023, 13 March 2023	14 March 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 14 March 2025	20	3.36	Interests payable per annum, and principal and interest payable upon maturity	National 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	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2023 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN007	102380546	15 March 2023 to 16 March 2023	17 March 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 17 March 2025	20	3.37	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN008	102380610	17 March 2023 to 20 March 2023	21 March 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 21 March 2025	20	3.36	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN009	102380657	22 March 2023 to 23 March 2023	24 March 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 24 March 2025	20	3.35	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN010	102382163	18 August 2023 to 21 August 2023	22 August 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 22 August 2026	20	3.05	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN011	102382240	23 August 2023 to 24 August 2023	25 August 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 25 August 2026	14	3.04	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2023 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	23 MCC MTN012	102382348	31 August 2023 to 1 September 2023	4 September 2023	Exercise date of options redeemed by the issuer, with the first exercise date on 4 September 2026	10	3.1	Interests payable per annum, and principal and interest payable upon maturity	National 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	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
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	National Interbank Bond Market	–	Bidding transaction	No
2024 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN001	102480524	21 February 2024 to 22 February 2024	23 February 2024	23 February 2034	10	2.94	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2024 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN002	102480538	23 February 2024, 26 February 2024	27 February 2024	27 February 2034	10	2.92	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2024 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN003	102480930	14 March 2024 to 15 March 2024	18 March 2024	Exercise date of options redeemed by the issuer, with the first exercise date on 18 March 2027	20	2.79	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2024 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN004	102480974	18 March 2024 to 19 March 2024	20 March 2024	Exercise date of options redeemed by the issuer, with the first exercise date on 20 March 2027	20	2.74	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN005A	102483199	24 July 2024 to 25 July 2024	26 July 2024	Exercise date of options redeemed by the issuer, with the first exercise date on 26 July 2029	10	2.25	Interests payable per annum, and principal and interest payable upon maturity	National 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	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN005B	102483200	24 July 2024 to 25 July 2024	26 July 2024	Exercise date of options redeemed by the issuer, with the first exercise date on 26 July 2024	10	2.54	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2024 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN006	102483403	7 August 2024 to 8 August 2024	9 August 2024	Exercise date of options redeemed by the issuer, with the first exercise date on 9 August 2029	20	2.25	Interests payable per annum, and principal and interest payable upon maturity	National 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	National Interbank Bond Market	–	Bidding transaction	No
2024 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN008	102483673	21 August 2024 to 22 August 2024	23 August 2024	Exercise date of options redeemed by the issuer, with the first exercise date on 23 August 2029	20	2.40	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	–	Bidding transaction	No
2024 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN009	102483722	22 August 2024 to 23 August 2024	26 August 2024	Exercise date of options redeemed by the issuer, with the first exercise date on 26 August 2027	20	2.28	Interests payable per annum, and principal and interest payable upon maturity	National 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	Stock exchange	Investor suitability arrangements (if any)	Trading mechanism	Is there any risk of termination of listing and trading
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	2.5	Interests payable per annum, and principal and interest payable upon maturity	National 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, to 27 August 2024	28 August 2024	Exercise date of options redeemed by the issuer, with the first exercise date on 28 August 2027	20	2.38	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	-	Bidding transaction	No
2024 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.*	24 MCC MTN012	102483835	27 August 2024, to 28 August 2024	29 August 2024	Exercise date of options redeemed by the issuer, with the first exercise date on 29 August 2027	12	2.31	Interests payable per annum, and principal and interest payable upon maturity	National Interbank Bond Market	-	Bidding transaction	No

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

Applicable  Not Applicable

*Overdue bonds*

Applicable  Not Applicable

*Explanations of overdue debts*

Applicable  Not Applicable



## **XV. COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

During the Reporting Period, adhering to the “two consistent implementation principles”, the Company further promoted the unity of strengthening the Party’s overall leadership and improving corporate governance, and built a modern enterprise system with Chinese characteristics, and continued to comply strictly with the laws and regulations including the Company Law, the Securities Law, the relevant requirements of regulatory authorities such as the CSRC, as well as the relevant requirements of the SSE and the Hong Kong Stock Exchange (including but not limited to Part 2 of Appendix C1 to the Hong Kong Listing Rules), constantly optimizing the establishment and operation of governance system of the general meeting, the Board, the Supervisory Committee, as well as the management and its subsidiaries. As an important part of the corporate governance structure, the Board, the Party Committee, the Supervisory Committee, and the management of the Company discharged their own duties under respective terms of reference, took full responsibility for their own responsibilities and communicate in a timely and effective manner, thus a regulatory mechanism for the co-ordination and efficient operation of all aspects of decision-making, management and supervision has been formed. During the Reporting Period, the corporate governance level of the Company has been further improved, laying a favorable foundation for promoting company development and improving shareholder value.

During the Reporting Period, the members of the third session of the Board were: Mr. Chen Jianguang as the Chairman, Mr. Zhou Jichang as an Independent Non-executive Director, Mr. Lang Jia as a non-executive Director, Mr. Liu Li as an Independent Non-executive Director, Mr. Ng, Kar Ling Johnny as an Independent Non-executive Director, and Mr. Yan Aizhong as an employee representative Director.

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

## **XVI. COMPLIANCE WITH THE MODEL CODE BY DIRECTORS AND SUPERVISORS**

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

## **XVII. REVIEW ON INTERIM RESULTS BY THE FINANCE AND AUDIT COMMITTEE**

The Finance and Audit Committee under the Board has reviewed the accounting principles and practices adopted by the Company and its subsidiaries in collaboration with the Company's management, and has discussed with the Directors matters in relation to internal control and financial reporting of the Company, including the review of the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2024.

## **XVIII. PUBLICATION OF INTERIM REPORT**

The interim report of the Company for the six months ended 30 June 2024 will be available on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website (<http://www.mccchina.com>) in mid to late September 2024 for Shareholders' reference.

## **XIX. DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS**

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

“Company” or “MCC”	Metallurgical Corporation of China Ltd.*
“State Council”	the State Council of the People's Republic of China
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“CSRC”	the China Securities Regulatory Commission
“SSE”	the Shanghai Stock Exchange
“A Share Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules of the Hong Kong Stock Exchange” or “H Share Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Controlling Shareholder” or “CMGC”	China Metallurgical Group Corporation
“China Minmetals”	China Minmetals Corporation
“CRIBC”	Central Research Institute of Building and Construction Co., Ltd. MCC Group
“China ENFI”	China ENFI Engineering Corporation
“MCC Capital”	MCC Capital Engineering & Research Incorporation Limited
“CISDI”	CISDI Group Co., Ltd.
“WISDRI”	WISDRI Engineering & Research Incorporation Limited
“MCC Coking”	ACRE Coking & Refractory Engineering Consulting Corporation, MCC
“CIE”	Zhongye Changtian International Engineering Co., Ltd.
“MCC20”	China MCC20 Group Corp. Ltd.
“MCC Real Estate”	MCC Real Estate Group Co., Ltd.
“MCC Ecological Environmental Protection”	MCC Ecological Environmental Protection Group Co., Ltd.
“MCC-SFRE”	MCC-SFRE Heavy Industry Equipment Co., Ltd
“Sinosico”	China Silicon Corporation Ltd.

“general meeting(s)”	the general meeting(s) of Metallurgical Corporation of China Ltd.*
“Shareholder(s)”	holder(s) of share(s) of the Company
“Board”	the board of Directors of Metallurgical Corporation of China Ltd.*
“Director(s)”	the director(s) of the Company, including all executive, non-executive and independent non-executive Directors
“Independent Director” or “Independent Non-executive Director”	a Director who does not hold any position other than that of Director in the Company and does not have any direct or indirect interest in the Company, its major Shareholders or de facto controllers, or any other Director who may influence him/her to render independent and objective judgement
“Supervisory Committee”	the supervisory committee of Metallurgical Corporation of China Ltd.*
“Supervisor(s)”	the supervisor(s) of the Company
“Articles of Association”	the articles of association of Metallurgical Corporation of China Ltd.*
“Rules of Procedures for Board Meetings”	the Rules of Procedures of Board Meetings of Metallurgical Corporation of China Ltd.*
“Reporting Period”	from 1 January 2024 to 30 June 2024
“A Share(s)”	the domestic shares with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the SSE and traded in RMB
“H Share(s)”	the overseas listed foreign invested shares with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in HKD
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC

“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“USD”	United States dollars, the lawful currency of the United States
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules
“Goals for ‘one building, two most, five strong’”	the goals established by the Company refer to creating a world-class enterprise with global competitiveness as the guiding principle; building the best full-service solution provider for metallurgical construction and operation with super core competitiveness, the most reliable general contractor in infrastructure with global reputation and domestic leading position as the target; its efforts to build a world-class investment and construction group with strong ability to create value, market competitiveness, innovative driving force, resource allocation and cultural soft power
“1+M+N regional market layout”	the Company’s regional market layout focusing on “1” province where the headquarters of a subsidiary is located (including municipalities directly under the central government, the same below) + “M” key provinces + “N” cultivated provinces

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

The 2024 interim financial statement of the Company has been reviewed by Ernst & Young Hua Ming LLP, but has not been audited. Ernst & Young Hua Ming LLP has issued the review report for the Company without a qualified opinion.

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

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

Beijing, the PRC  
29 August 2024

*As at the date of this announcement, the Board of the Company comprises executive Director: Mr. Chen Jianguang; non-executive Directors: Mr. Lang Jia and Mr. Yan Aizhong (employee representative Director); and Independent Non-executive Directors: Mr. Zhou Jichang, Mr. Liu Li and Mr. Ng, Kar Ling Johnny.*

\* *For identification purposes only*