

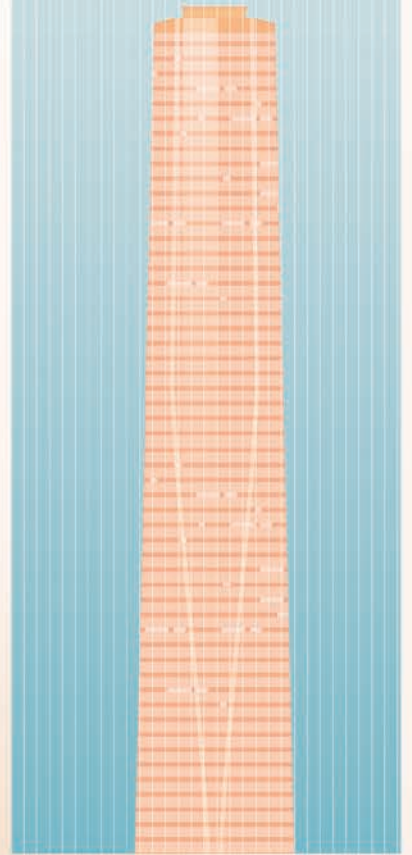
中國冶金科工股份有限公司 METALLURGICAL CORPORATION OF CHINA LTD.*

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

Stock Code: 1618



2025 Annual Report



* For identification purpose only

IMPORTANT NOTICE

- I. The Board of the Company and its Directors and senior management warrant that there are no false representations, misleading statements or material omissions in the information set out in this annual report, and they severally and jointly accept legal liability for the truthfulness, accuracy and completeness of its contents.
- II. The report was deliberated and approved at the 83rd meeting of the third session of the Board on 30 March 2026. All Directors of the Company attended the board meeting.
- III. Deloitte Touche Tohmatsu Certified Public Accountants LLP issued an audit report with standard unqualified opinions to the Company.
- IV. Chen Jianguang, the Chairman of the Company, Dong Su, the vice president and chief accountant (chief financial officer), and Li Yifeng, the Head of Accounting Department have declared that they warrant the truthfulness, accuracy and completeness of the financial report contained in this annual report.
- V. The proposal for profit distribution or transfer of capital reserve to share capital for the Reporting Period was considered and approved by the Board

The audited consolidated net profit attributable to Shareholders of the listed company of MCC for 2025 was RMB1,321.77 million, with cumulative undistributed profits in the consolidated financial statements of RMB51,289.39 million at the end of the Period; the cumulative undistributed profit of the parent company's financial statement at the end of the period were RMB-2,785.15 million. As considered and approved at the 83rd meeting of the third session of the Board of MCC, given that the cumulative undistributed profit at the end of the period of the parent company's statement of the Company for the year 2025 was negative, pursuant to the provisions of the Company Law and the Articles of Association, the Company proposes not to implement any profit distribution for the year 2025. At the same time, it is proposed to the shareholders' meeting to authorize the Board to formulate and implement a specific interim dividend plan for 2026, provided that the conditions for interim dividend distribution are met. The above plan is subject to consideration and approval by the shareholders' meeting before implementation.

- VI. As at the end of the Reporting Period, the parent company had accumulated losses and their impact on matters such as the Company's dividend distribution

As at the end of the Reporting Period, the financial statements of the parent company of the Company showed accumulated unrecovered losses of RMB-2,785.15 million. Pursuant to the provisions of relevant laws and regulations such as the Company Law and the Articles of Association, the Company does not currently meet the preconditions for the implementation of cash dividend distribution. Investors are advised to be aware of the relevant investment risks.

- VII. Statement for the risks involved in the forward-looking statements

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

- VIII. Is there any misappropriation of non-operating funds by the Controlling Shareholder and other related parties

No

- IX. Is there any external guarantee made in violation of the required decision-making procedures

No

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

No

- XI. Warning of major risks

During the Reporting Period, no material risk matter existed in the Company.

The Company has described the relevant potential risks in this annual report in detail. Please refer to the section "Report of Board of Directors, Management Discussion and Analysis" of this report.

- XII. Others

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

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CONTENTS FOR DOCUMENTS AVAILABLE FOR INSPECTION	Financial statements signed and sealed by the person-in-charge of the Company, the person-in-charge of accounting and the head of accounting firm
	The original auditor's report sealed with the corporate seal of the accounting firm and signed and sealed by the certified public accountant
	Original of all documents and announcements of the Company were publicly disclosed on China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times during the Reporting Period
	2025 annual report and 2025 annual results announcement published on the Hong Kong Stock Exchange

The cover project pictures from top to bottom are: Lanzhou Chaijiaxia Yellow River Bridge Project (蘭州柴家峽黃河大橋項目), Beijing Yanqi Lake International Convention and Exhibition Center Project (北京雁棲湖國際會展中心項目), and Shenzhen-Zhuhai Cross Gate Central Business District Project (深圳珠海十字門中央商務區項目).

DEFINITIONS

In this report, 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
“MIIT”	Ministry of Industry and Information Technology of the People’s Republic of China
“SSE”	the Shanghai Stock Exchange
“A Share Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules of the Hong Kong Stock Exchange”, “H Share Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“CMGC”	China Metallurgical Group Corporation
“Controlling Shareholder” or “China Minmetals”	China Minmetals Corporation
“CMCL”	China Minmetals Corporation Limited
“Minmetals Land Holdings”	Minmetals Land Holdings Co., Ltd.*
“MCC20”	China MCC20 Group Corp. Ltd.
“WISDRI”	WISDRI Engineering & Research Incorporation Limited
“MCC Real Estate”	MCC Real Estate Group Co., Ltd.
“China Huaye”	China Huaye Group Co., Ltd.*
“Non-ferrous Engineering”	China Non-ferrous Engineering Co., Ltd.*
“MCC Tongsin Resources”	MCC Tongsin Resources Limited
“MCC Ramu”	Ramu NiCo Management (MCC) Limited
“MCC-JJJ Mining”	MCC-JJJ Mining Development Company Limited*
“MCC Duddar”	MCC Huaye Duddar Mining Company (Pvt) Limited

DEFINITIONS

“CISDI”	CISDI Group Co., Ltd.
“CIE”	Zhongye Changtian International Engineering Co., Ltd.
“MCC Capital”	MCC Capital Engineering & Research Incorporation Limited
“Deloitte Touche Tohmatsu”	Deloitte Touche Tohmatsu Certified Public Accountants LLP
“shareholders’ meeting(s)”	the shareholders’ 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
“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 2025 to 31 December 2025
“A Share(s)”	the domestic shares with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the SSE and traded in RMB
“H Share(s)”	the overseas listed foreign invested shares with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in C3 to the Hong Kong Listing Rules
“connected person(s)”	connected party/parties under A Share Listing Rules and connected person(s) under the H Share Listing Rules
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“USD”	United States dollars, the lawful currency of the United States
“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

DEFINITIONS

“Corporate Governance Code”

the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules

“Goals for ‘one building, two most, five strong’”

the goals established by the Company refers to creating a world-class enterprise with global competitiveness as the guiding principle; building the best full-service solution provider for metallurgical construction and operation with super core competitiveness, the most reliable general contractor in “New Infrastructure and New Urbanisation Initiatives” with global reputation and domestic leading position as the target; its efforts to build a world-class investment and construction group with strong value creation, market competitiveness, innovative driving force, resource allocation and cultural soft power

“Three Standardizations Construction”

“standardisation”: to establish a full-chain standard system, consolidate the foundation for high-quality development, and enhance the Group’s integrated management and control capabilities as well as resource coordination efficiency; “digitalisation”: to integrate digital technology throughout the full lifecycle of engineering and construction, create a new paradigm for intelligent construction, and foster new drivers of growth through data elements; “internationalization”: to deeply embed itself in the global industrial chain layout, enhance its competitiveness in international engineering projects, and strengthen the influence of the MCC brand in construction

“Four Adherences”

adherence to deepening reform as the engine of momentum; adherence to technology-enabled empowerment for value creation; adherence to foundational management to consolidate and strengthen the base; adherence to overseas strategy for deep cultivation and market expansion

“‘Five-Five’ strategy”

the Company’s strategic goal of medium- and long-term business restructuring, namely, to direct resources to its advantageous sectors, drive the transformation towards quality and efficiency, further increase the proportion of its core business, industrial construction and featured business, aim to reach over 50%, adhere to the high-end development path for infrastructure construction business, and adjust the proportion of its infrastructure construction business to below 50%

* For identification purposes only

CHAIRMAN'S STATEMENT



Chen Jianguang

Chairman

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Company's Board of Directors, I would like to present MCC's 2025 annual report, and to extend my sincerest gratitude and highest appreciation to all friends from all sectors of society and all shareholders who have long supported and cared about the company's reform and development.

Seasons cycle and time marches on, yet our striving never falters. In 2025, MCC firmly followed the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the guiding principles of the 20th National Congress of the Communist Party of China, all plenary sessions of the 20th Central Committee, under the strong leadership of the Party Central Committee and with the robust support of friends from all walks of life and the trust and profound affection of our shareholders, and navigated a year of exceptional significance and challenge. All our officers and employees united their efforts, acted with dedication and a sense of responsibility, and wrote a glorious chapter of endeavor through arduous and relentless efforts. We delivered an annual report to the Party and the people, shareholders and investors with warmth, depth and profoundness.

In 2025, we forged ahead under pressure and solidified the foundation for development with diligent and concrete actions. Faced with a profoundly complex external environment and severe challenges brought by the in-depth restructuring of the industry, aligned our thinking and actions with the Party Central Committee's scientific judgment of the prevailing situation and its decision-making arrangements, strengthened our confidence in development and historical patience, and faced various pressures and difficulties with unwavering perseverance. We stabilized operations amid headwinds, accumulated momentum in breaking through predicaments, and safeguarded the underlying fundamentals of high-quality development amid the downward pressure of the industry, which demonstrated MCC's remarkable resilience in risk resistance to all sectors of society, and laid a solid foundation for the long-term development of the Company. During the Reporting Period, MCC achieved a new contract value of RMB1,112.922 billion, operating income of RMB455.38 billion, and a total profit of RMB5.009 billion, and the net profit attributable to shareholders of listed companies was RMB1.322 billion. In 2025, MCC retained its place among the world's top ten contractors for the 17th consecutive year, was honored with A-level evaluation for information disclosure from the Shanghai Stock Exchange for the 9th consecutive year and the Special Contribution Award for Corporate Governance at the Golden Round Table Awards for Listed Company Boards and the title of "Best IR Hong Kong Listed Company" at the 8th New Fortune Awards, and its MSCI ESG rating was upgraded from CCC to B, marking a historic breakthrough.

In 2025, we focused on our core businesses and forged core competitive advantages through structural restructuring. We further advanced the implementation of the "Five-Five" strategy, and continuously optimized and improved the "One Core, Two Main Bodies and Five Features" business system, enhancing our core functions competitiveness in serving the overall national strategic layout. **Our core responsibilities and core businesses have fully reflected our mission and sense of commitment.** We successfully signed contracts for the Lianyuan Iron and Steel Cold Rolling Single Stand Mill Supply Project, the Silicon Steel Ultra-Thin Strip Annealing Furnace Project and the Xinhui Thin Slab Continuous Casting and Rolling UTE Project, etc., reflecting the Company's unique advantages in leading technological iteration of metallurgical engineering, independent complete sets of equipment and provision of the full-chain service support in terms of advancing the "Three Integrations" transformation and upgrading of the iron and steel industry. We also successfully undertook the Huangshi Yuntou'an Mining Area Limestone Mine Project, the Inner Mongolia Xiaohongshan Vanadium-Titanium Magnetite Mining and Beneficiation Project, the Guizhou Weng'an Bauxite Mine Construction and Mining Project, the Guizhou Yaoxin Lead-Zinc Mine Project, etc., continuously expanding the Company's leading advantages in the non-ferrous metal and mine engineering construction sectors in terms of safeguarding national mineral resource security. In 2025, the value of newly signed contracts of metallurgical, non-ferrous metal and mine engineering projects amounted to RMB232.51 billion, accounting for 20.9% of the total, an increase of 4.3 percentage points and a year-on-year growth of 12.3%. Our leading position in core businesses was further consolidated, and the "three roles" of central enterprises were fully demonstrated. **Services for "New Infrastructure and New Urbanisation Initiatives" boosted strategic transformation.** We vigorously developed industrial construction and infrastructure businesses, deeply integrated the industrial expertise with modern construction technologies, and achieved new breakthroughs in transformation and upgrading by proactively supporting the nation's efforts toward new industrialization and new urbanization. A series of benchmark projects for "better factories", "better urban areas", "better housing" and "better communities" delivering remarkable outcomes, successfully securing landmark projects such as the Lexus Shanghai Plant, the Hefei Guoxian 8.6-generation AMOLED production facility, and the Phase II project of the C929 Research and Maintenance Center; the well-built Tianjin No.1 Machine Tool General Factory Urban Renewal Project (天津第一機床總廠城市更新項目) leveraged our professional strength to create a high-quality benchmark for the transformation of industrial heritage in the

CHAIRMAN'S STATEMENT

construction of “better urban areas”; the Xiong’an Start-up Zone Innovation Fang Residential Project (雄安啟動區創新坊住宅項目) was successfully implemented, which exemplified the vivid practice of building “better housing” in the city of the future; the Baoding Lianchi Village-in-City Reconstruction Project (保定蓮池城中村改造項目) strived to create a livelihood model of “better communities” that is energy-efficient, low-carbon, livable and business-friendly; the cooperative renovation project of dangerous old houses on 21st Street in Qingshan District, Wuhan, revitalized and upgraded old residential areas, and led the quality improvement of “good residential areas” with intelligent construction. **Our characteristic businesses fostered a fertile ground for new growth drivers.** We successfully signed contracts for the China Life Western Data Center Project (中國人保西部數據中心項目), the Xinjiang Bazhou Independent Energy Storage Power Station Project (新疆巴州獨立儲能電站項目), the Xinjiang Junrui New Energy Large-Scale Green Hydrogen Production Engineering, Procurement and Construction (EPC) Project (新疆俊瑞新能源規模化制綠氫設計採購施工一體化總承包項目), and the Yongshan Shunhe First, Second and Third Stage Hydropower Station Construction EPC Project (永善順河一級、二級、三級水電站建設項目EPC工程), achieving breakthroughs in multiple emerging tracks such as energy and hydropower, and new infrastructure. The emerging productive forces have gained full momentum, opening up a brand-new space for MCC’s high-quality development.

In 2025, we deepened our efforts in the “two arenas” and built a prestigious brand through foundational restructuring and upgrading. The market and on-site operations are the fundamental cornerstones of development for construction enterprises. We adhered to the market-oriented principle and pursued coordinated development in both domestic and overseas markets. **We competed fiercely in the public bidding market,** successfully signing the Baoshan High-Speed Railway Station Building Project (寶山高鐵站站房項目), a pioneering and milestone achievement for the Company in the construction of high-speed railway station buildings, and winning the Chengdu “Hongzhaobi” Super High-Rise Project (“紅照壁”超高層項目). This shows the Company’s comprehensive strength and brand competitiveness in the high-end public bidding market. **The advantages of the “Five Linkages” became increasingly prominent.** MCC 5, in conjunction with MCC Capital and MCC Capital, obtained the comprehensive development project of the Cuihu Area in Zhengzhou Airport Economy Zone at an amount of RMB10 billion, and signed a contract with MCC Coking for the Xinghe Coking and Tail Gas Comprehensive Utilization Project at an amount of RMB7.9 billion. We provided in-depth professional services for the development of China’s salt lakes, the Group’s integrated collaborative operation capabilities were continuously enhanced, and the hard-core strength of our entire industrial chain was further demonstrated. **We blazed new trails in overseas markets,** with the value of newly signed contract exceeding RMB100 billion for the first time, reaching RMB100.7 billion, representing a year-on-year increase of 6%. We participated in the joint construction of the “Belt and Road” initiative with high quality, with a number of representative projects such as the Oman Sohar Mineral Processing Plant and the Vale Molten Reduction Ironmaking Project successfully implemented. These achievements polished MCC’s golden brand overseas and elevated our international brand image and influence.

We prioritized the on-site operations, achieving simultaneous improvement in core capabilities and brand influence. The Zhongyuan High Speed Railway Port Digital Trade and Exhibition City Project (中原高鐵港數字展覽城項目) created a new project delivery record, and the East Apron Pavement Project of the Phase III Expansion of Guangzhou Baiyun International Airport (廣州白雲國際機場三期擴建工程東飛行區場道工程) was put into operation in advance. High-quality contract performance, efficient project advancement and high-standard construction have further strengthened the MCC brand. A series of management documents including the Engineering Project Business Management Manual (《工程項目商務管理手冊》) and the Guidelines for Key Work of Engineering Project Cost Control (《工程項目成本管控重點工作指南》) were successively promulgated, which marked a new stage in the refinement, standardization and systematization of MCC’s business management system, and the philosophy of creating economic value through results-oriented operation and boosting operational efficiency through refined management took deeper root in the hearts of all employees. We successfully held the first MCC’s supply chain cooperation and development conference, and released the annual A-level supplier list and the initiative for supply chain cooperation and development, as a result that supply chain cooperation ecosystem was continuously optimized, and the formation of a brand-new pattern of open cooperation, synergy and value creation was accelerated.

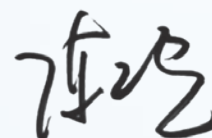
CHAIRMAN'S STATEMENT

In 2025, we intensified our innovation efforts and led industrial upgrade with hard-core technological strength. We accelerated the in-depth integration of science and technology with the industry, transformed scientific and technological achievements into tangible productivity, and injected robust and sustained impetus into the Company's high-quality development. **The capacity of scientific research platforms was elevated to a new height.** A national key laboratory was approved for construction, and 6 platforms were included in the list of open service platforms for central enterprise pilot testing and verification by the State-owned Assets Supervision and Administration Commission of the State Council, further improving our comprehensive innovation support system. **We achieved continuous and major breakthroughs in technological research and development.** CISDI successfully developed 100kg-grade environmental-friendly brass and put its independently developed hydrogen-based shaft furnace pilot platform into operation; MCC Capital applied its self-developed extra-thick slab continuous casting technology to build the thickest 480mm slab continuous casting project for Longteng Special Steel in the world; WISDRI designed and developed an ultra-thin and ultra-wide high-end stainless steel Steckel mill, which was successfully applied to first 3,500mm stainless steel wide plate short-process project in China. A number of key core technologies achieved landmark progresses. **We realized fruitful scientific research achievements,** with the total number of valid patents exceeding 54,000. Five major scientific and technological achievements led by the Company were nominated for National Science & Technology Awards, and we won 25 metallurgical science and technology awards (including 1 special award) and 4 China Patent Awards. We took the lead in formulating 1 ISO international standard and 11 national standards, and 4 projects were approved as pilot projects for the overseas application of Chinese standards. We added 4 national-level specialized and sophisticated "little giant" enterprises and 4 national-level manufacturing single champion enterprises, with the total number increasing to 14 and 10 respectively, realizing the dual improvement of the scientific and technological innovation capabilities and industrial core competitiveness.

In 2025, we unwaveringly fostered a healthy and upright political ecosystem, and consistently promoted a pragmatic work style. We consolidated the solid safeguards for high-quality development by adhering to our original aspiration and mission, and gathered a strong driving force for forging ahead by cultivating an excellent and rigorous work ethic. We effectively transformed the political advantages and organizational advantages into the advantages related to development and core competitiveness, and ensured the high-quality advancement of all undertakings under the guidance of high-quality Party building.

As our achievements have not come easily, we will cherish them dearly. We will take these achievements as a new starting point and forge ahead for new journeys.

In 2026, under the strong leadership of the Party Central Committee with President Xi Jinping at its core, MCC will keep firmly in mind the mission of central enterprises and bravely shoulder the historical responsibilities of the times. With unwavering resolve in the face of adverse tides and the courage to break through difficulties and tackle tough challenges, we will stand side by side with all shareholders, work together with one heart and one mind to overcome difficulties, and compose a new glorious chapter of high-quality development with diligent and concrete actions. We will repay the trust and profound affection of all shareholders and all sectors of society with excellent results, and contribute MCC's strength to serving national strategies, propelling the high-quality development of the industry and advancing the construction of Chinese modernization!



COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

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

In recent years, MCC has anchored the Goals for "one building, two most, five strong", aiming to create a world-class enterprise with global competitiveness. It endeavors to be the best overall solution provider for metallurgical construction and operation with super core competitiveness and the internationally renowned and domestically leading general contracting service provider for "Two New" construction (i.e., new-type infrastructure and new-type urbanisation), so as to become a world-class investment and construction group with strong value creativity, strong market competitiveness, strong innovation driving force, strong resource allocation, and strong cultural soft power. It ranked 7th in ENR's "Top 250 Global Contractors" in 2025, maintaining its position among the top ten global contractors for seventeen consecutive years.

The Company has strong strength in scientific research and development. As a national innovative enterprise, it has 25 national-level scientific research and development platforms and over 54,000 effective patents. Since 2009, it has won 92 China Patent Awards. Since 2000, it has won 58 National Science & Technology Awards and published 68 international standards and 670 national standards. It has over 60,000 engineering technicians, 1 academician of the Chinese Academy of Engineering, 10 national exploration and design masters, 2 experts listed on the "National Hundred, Thousand and Ten Thousand Talent Project", 3 winners of the Grand Skill Award of China, 3 gold medalists of the World Skills Competition, 86 National Technical Experts and 10 national skill master studios.

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

The Company's qualification is leading in the industry. It owns 11 research, exploration and design enterprises, 15 large-scale construction enterprises and has 4 comprehensive Class A design qualifications, 3 comprehensive Class A survey qualifications, 9 comprehensive supervision qualifications, and 51 special-grade construction qualifications for general contracting. The number of enterprises rated with fourth, third and second special-grade construction qualifications stands at six, two and four, respectively, ranking forefront in China.

The Company has a wide market coverage. It has established 139 overseas institutions in 50 countries (regions), mainly distributed in Southeast Asia, South Asia, the Middle East, Central Asia and Africa along the "Belt and Road" initiative. Its domestic secondary institutions and contracted projects are spread across 31 provinces, autonomous regions, and municipalities.

During its 70 years of development, MCC has developed an irreplaceable advantage in the integration of the entire metallurgical construction industry chain and unique corporate core competitiveness. The Company has received the Luban Prize for Construction Projects (National Quality Engineerings) for 149 projects (including participation) by the China Construction Industry Association, the National Quality Engineering Award for 318 projects (including participation) by the China Construction Enterprise Management Association, the Zhan Tianyou Civil Engineering Prize for 32 projects (including participation), and National Metallurgical Industry Excellent Engineering Quality Achievements for 1,399 projects (including participation).

MCC was listed on the main board of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 21 September 2009 and 24 September 2009. At present, the A Shares of the Company have been selected to be a constituent stock of the SSE 180 Index, CSI 300 Index, and MSCI Concept Index, etc.; while the H Shares have been selected to be a constituent stock of Hang Seng Composite Index, Hang Seng Stock Connect Index, Bloomberg ESG Data Index, etc.

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. CORPORATE INFORMATION

Company name (in Chinese)	中國冶金科工股份有限公司
Abbreviation in Chinese	中國中冶
Company name (in English)	Metallurgical Corporation of China Ltd.
Abbreviation in English	MCC
Legal representative of the Company	Chen Jianguang

II. CONTACT PERSONS AND CONTACT METHOD

	Secretary to the Board	Joint Company Secretaries
Name	Chang Qi	Chang Qi, CHU Pik Man ^{Note} , Ng Sau Mei (as of 27 March 2026)
Address	MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing, the PRC	MCC Tower, 28 Shuguang Xili, Chaoyang District, Beijing, the PRC
Telephone	+86-10-59868666	+86-10-59868666
Facsimile	+86-10-59869033	+86-10-59869033
E-mail	ir@mccchina.com	ir@mccchina.com

Note: As considered and approved at the 83rd meeting of the third session of the Board held on 30 March 2026, the Company appointed Ms. CHU Pik Man as the new joint company secretary (see the relevant announcement disclosed by the Company on 30 March 2026).

III. BASIC INFORMATION

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

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

IV. INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

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

V. SHARES OF THE COMPANY

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

VI. OTHER RELEVANT INFORMATION

Auditor appointed by the Company	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, Bund Center, 222 East Yan'an Road, Shanghai
	Signing auditors	Chen Wenlong, Zhou Hongyu
Sponsor performing continuous supervisory duty during the Reporting Period	Name	CITIC Securities Company Limited
	Office address	48 Liangmaqiao Road, Chaoyang District, Beijing
	Signing representatives of sponsor	Huang Ci (until 21 August 2025), Yang Bin (until 21 August 2025), Yu Mengyao, Zhao Wei
	Period of continuous supervision	CITIC Securities Company Limited was the sponsor for the initial public offering of A Shares of MCC on 21 September 2009. In accordance with relevant regulatory requirements, CITIC Securities Company Limited continues to supervise MCC on the use of A Shares proceeds, and performs the relevant continuous supervisory duties after the expiry of continuous supervisory period, until the Company fully utilised the proceeds raised from the initial public offering of A shares by the end of 2025.
Domestic legal advisor appointed by the Company	Name	Beijing Jia Yuan Law Offices
	Office address	F408 Ocean Plaza, 158 Fu Xing Men Nei Avenue, Xicheng District, Beijing
Overseas legal advisor appointed by the Company	Name	Eric Chow & Co. in Association with Commerce & Finance Law Offices
	Office address	Unit 3401, Alexandra House, 18 Chater Road, Central, Hong Kong

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE RECENT THREE YEARS

(I) Major accounting data

Unit: RMB'000

Major accounting data	2025	2024	Increase/decrease for the period as compared to the corresponding period of the previous year (%)	2023
Operating revenue	455,380,420	552,024,638	-17.51	633,870,422
Total profit	5,009,294	9,254,538	-45.87	13,764,772
Net profit attributable to Shareholders of the listed Company	1,321,768	6,745,954	-80.41	8,670,405
Net profit attributable to Shareholders of the listed Company after deducting non- recurring profits and losses	450,358	5,103,056	-91.17	7,553,793
Net cash flow generated from operating activities	15,322,753	7,847,704	95.25	5,891,801

	At the end of 2025	At the end of 2024	Increase/decrease for the period as compared to the corresponding period of the previous year (%)	At the end of 2023
Net assets attributable to Shareholders of the listed company	155,762,737	153,043,098	1.78	145,480,182
Total assets	839,488,682	808,015,755	3.90	661,602,236

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

(II) Major financial indicators

Major financial indicators	2025	2024	Increase/decrease for the period as compared to the corresponding period of the previous year (%)	2023
Basic earnings per share (RMB/share)	0.002	0.24	-99.17	0.33
Diluted earnings per share (RMB/share)	0.002	0.24	-99.17	0.33
Basic earnings per share after deducting non-recurring profits and losses (RMB/share)	-0.04	0.16	-125.00	0.28
Weighted average return on net assets (%)	0.05	4.87	Decreased by 4.82 percentage points	7.23
Weighted average return on net assets after deducting non-recurring profits and losses (%)	-0.81	3.23	Decreased by 4.04 percentage points	6.06

(III) Financial highlights

1. Overview

The Company's financial position as at 31 December 2025 and its operating results for the year 2025 were as follows:

- Operating revenue amounted to RMB455.38 billion, representing a decrease of RMB96.645 billion (or 17.51%) from RMB552.025 billion in 2024.
- Total profit amounted to RMB5.009 billion, representing a decrease of RMB4.246 billion (or 45.87%) from RMB9.255 billion in 2024.
- Net profit amounted to RMB2.522 billion, representing a decrease of RMB5.382 billion (or 68.09%) from RMB7.904 billion in 2024.
- Net profit attributable to Shareholders of the listed company amounted to RMB1.322 billion, representing a decrease of RMB5.424 billion (or 80.41%) from RMB6.746 billion in 2024.
- Basic earnings per Share amounted to RMB0.002, compared to RMB0.24 in 2024.
- Total assets as at 31 December 2025 amounted to RMB839.489 billion, representing an increase of RMB31.473 billion (or 3.90%) from RMB808.016 billion as at 31 December 2024.
- Shareholders' equity as at 31 December 2025 amounted to RMB183.559 billion, representing an increase of RMB1.223 billion (or 0.67%) from RMB182.336 billion as at 31 December 2024.
- Value of newly signed contracts amounted to RMB1,112.922 billion, representing a decrease of RMB135.884 billion (or 10.87%) from 1,248.706 billion in 2024.

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

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

2. Operating revenue from principal business segments

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

(1) Engineering Contracting Business

Operating revenue amounted to RMB407.982 billion, representing a decrease of RMB97.721 billion (or 19.32%) from RMB505.703 billion in 2024.

(2) Featured Segment Business

Operating revenue amounted to RMB32.735 billion, representing an increase of RMB843 million (or 2.65%) from RMB31.892 billion in 2024.

(3) Discontinued Operation

Operating revenue amounted to RMB20.619 billion, representing a decrease of RMB874 million (or 4.07%) from RMB21.493 billion in 2024.

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

3. Summary of financial statements

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

(1) Consolidated Income Statement

Unit: RMB'000

Item	Note	2025	2024
I. Operating revenue	VII 51	455,380,420	552,024,638
Including: Operating revenue		455,380,420	552,024,638
II. Total operating costs		441,588,623	533,078,519
Including: Operating costs	VII 51	409,445,805	498,543,592
Taxes and surcharges	VII 52	2,682,844	2,156,087
Selling expenses	VII 53	3,024,169	3,063,315
Administrative expenses	VII 54	11,482,627	11,830,595
Research and development expenses	VII 55	13,963,960	16,406,225
Finance expenses	VII 56	989,218	1,078,705
Including: Interest expenses		3,654,143	3,392,681
Interest income		3,452,238	2,715,515
Add: Other income	VII 57	533,449	550,228
Investment losses	VII 58	18,189,173	(1,354,525)
Including: Gains from investments in associates and joint ventures		(58,837)	137,334
Losses from derecognition of financial assets at amortized cost		(1,060,662)	(1,089,125)

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

Item	Note	2025	2024
Losses from changes in fair value	VII 59	(30,722)	(377,207)
Credit impairment losses	VII 60	(8,214,433)	(7,193,525)
Asset impairment losses	VII 61	(19,439,098)	(2,540,854)
Gains on disposal of assets	VII 61	364,625	1,052,666
III. Operating profit		5,194,791	9,082,902
Add: Non-operating income	VII 63	400,896	453,584
Less: Non-operating expenses	VII 64	586,393	281,948
IV. Total profit		5,009,294	9,254,538
Less: Income tax expenses	VII 65	2,487,266	1,350,206
V. Net profit		2,522,028	7,904,332
(I) Net profit classified by operating continuity			
Net profit from continuing operations		7,711,931	10,597,146
Net profit from discontinued operations		(5,189,903)	(2,692,814)
(II) Net profit classified by ownership ascription			
Net profit attributable to Shareholders of the Company		1,321,768	6,745,954
Profit or loss attributable to non-controlling interests		1,200,260	1,158,378
VI. Other comprehensive income, net of income tax	VII 47	(223,913)	(359,480)
Other comprehensive income attributable to shareholders of the Company, net of income tax		(189,508)	(364,852)
(I) Items that will not be reclassified to profit or loss		93,746	(120,938)
1. Re-measurement of defined benefit obligations		66,687	(229,146)
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		(36)	(10)
3. Changes in fair values of investments in other equity instruments		27,095	108,218

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

Item	Note	2025	2024
(II) Items that may be reclassified to profit or loss		(283,254)	(243,914)
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		(3,001)	(414)
2. Changes of fair value of receivables at FVTOCI		30,108	8,823
3. Exchange differences on translating financial statements in foreign currencies		(310,361)	(252,323)
Other comprehensive income, net of tax, attributable to non-controlling interests		(34,405)	5,372
VII. Total comprehensive income		2,298,115	7,544,852
Total comprehensive income attributable to Shareholders of the Company		1,132,260	6,381,102
Total comprehensive income attributable to non-controlling interests		1,165,855	1,163,750
VIII. Earnings per share	VII 66		
(I) Basic earnings per share (RMB/share)		0.002	0.24
(II) Diluted earnings per share (RMB/share)		0.002	0.24

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

Unit: RMB'000

	31 December 2025	31 December 2024
Total assets	839,488,682	808,015,755
Total liabilities	655,929,244	625,679,889
Total equity	183,559,438	182,335,866

Explanation of major accounting data and financial indicators of the Company for the three years prior to the end of the Reporting Period

Applicable Not applicable

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

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

(I) **Differences in net profit and net asset attributable to Shareholders of the Company disclosed in financial reports under International Accounting Standards and Chinese Accounting Standards for Business Enterprises**

Applicable Not applicable

(II) **Differences in net profit and net asset attributable to Shareholders of the Company disclosed in financial reports under Overseas Accounting Standards and Chinese Accounting Standards for Business Enterprises**

Applicable Not applicable

(III) **Explanation on the differences in domestic and overseas accounting standards:**

Applicable Not applicable

IX. MAJOR FINANCIAL DATA IN 2025 ON A QUARTERLY BASIS

Unit: RMB'000

	The first quarter (January – March)	The second quarter (April – June)	The third quarter (July– September)	The fourth quarter (October– December)
Operating revenue	122,272,308	115,260,404	97,561,053	120,286,655
Total profit	2,607,378	2,671,771	1,742,502	(2,012,357)
Net profit attributable to Shareholders of the listed Company	1,607,206	1,492,072	870,881	(2,648,391)
Net profit attributable to Shareholders of the listed Company after deducting non-recurring profits and losses	1,606,854	719,632	724,185	(2,600,313)
Net cash flow generated from operating activities	(25,694,659)	3,709,681	2,593,882	34,713,849

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

Applicable Not applicable

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

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

Unit: RMB'000

Non-recurring profit and loss items	Amount in 2025	Note	Amount in 2024	Amount in 2023
Profit or loss on disposal of non-current assets, including the write-off of provision for impairment of assets	351,001	Note 18	1,052,666	663,075
Government grants recognized in current profit or loss (except for the government grants that are closely related to the normal operating business of the Company and, in line with national policies and in accordance with defined criteria, which have a lasting impact on the profit or loss of the Company)	436,663	Note 18	465,213	504,767
Profit/loss from the change of fair value of financial assets and financial liabilities held by non-financial enterprises, and profit/loss from the disposal of financial assets and financial liabilities except for those gain/loss relating to the effective hedging transactions under the Company's normal operating business	(30,722)	Note 18	(477,667)	(326,395)
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss	362,065	Note 18	305,423	155,616
Reversal of provision for impairment of receivables individually tested for impairment	1,171,940	Note 18	849,975	495,375
Profit/loss from debt restructuring	133,655	Note 18	30,046	44,177
Impacts related to the asset disposal	(1,461,037)	Note 18	-	-
Profit and loss on disposal of long-term equity investment	17,170	Note 18	13,380	48,027
Other non-operating income and expenses other than the above items	(208,016)	Note 18	131,380	19,595
Other items classified as non-recurring profit or loss	460,521	Note 18	-	-
Less: Impact on income tax	(290,505)	Note 18	(394,896)	(205,233)
Impact on minority Shareholders interests (after tax)	(71,325)	Note 18	(332,622)	(282,392)
Total	871,410	Note 18	1,642,898	1,116,612

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

Unit: RMB'000

Item	Amount involved	Reason
Impacts related to the asset disposal	(1,461,037)	The asset disposal transaction conducted by the Company in December 2025 was of a special nature and occurred on an occasional basis; therefore, the overall impact on profit or loss related to this transaction is reported as non-recurring profit or loss.

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

Item	Amount involved	Reason
Other items classified as non-recurring profit or loss	460,521	When the Company underwent restructuring and listing in 2007, it recognized a one-time provision for monetary subsidies for housing and costs associated with the transfer of socialized management, in accordance with relevant policy regulations and requirements for the socialized transfer. In 2025, due to adjustments in relevant national policies and the Company's actual implementation of such policies, the conditions for paying these two expenses no longer existed. Accordingly, the Company adjusted its defined benefit plan and reversed the past service cost.

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

Applicable Not applicable

XII. ITEMS MEASURED UNDER FAIR VALUE

Unit: RMB'000

Item	Balance at the beginning of the period	Balance at the end of the period	Changes during the period	Impact on the profit of the current period
Financial assets held for trading	2,770	2,030	(740)	126
Receivables financing	8,597,053	9,066,234	469,181	(259,056)
Investments in other equity instruments	1,698,287	1,789,413	91,126	24,555
Other non-current financial assets	4,875,569	4,373,896	(501,673)	(20,577)
Derivative financial liabilities	(755,963)	(648,732)	107,231	(18,401)
Total	14,417,716	14,582,841	165,125	(273,353)

XIII. OTHERS

Applicable Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

I. OPERATION RESULT DISCUSSION AND ANALYSIS

2025 is the concluding year of the 14th Five-Year Plan. Faced with the volatile situation, the Company adhered to the general tone of seeking progress while maintaining stability, forged ahead under pressure, strived with perseverance, and fully promoted the various tasks of the “Four Stabilizations and Eight Advancements”. It consolidated the foundation through strengthening governance, forged advantages through transformation and upgrading, and demonstrated responsibility through overcoming difficulties. The main operating indicators throughout the year remained basically stable, fully demonstrating the Company’s development resilience and laying a solid foundation for a good start of the 15th Five-Year Plan.

(I) Continuous Optimization of Business Structure and Enhanced Growth Momentum of Core Businesses

The Company focused on its core responsibilities and main businesses of metallurgical construction, gave full play to its profound heritage and core advantages in industrial technology, full industrial chain and general engineering contracting fields, and strived to build the “Best Overall Solution Provider” and the “Most Trustworthy General Contractor”. Among them, in the core business areas of metallurgy, non-ferrous metals and mining engineering, adhering to the traction of technological iteration and upgrading and complete set of equipment supply, the Company deepened product marketing and value-added services, with the newly signed contract volume increasing by 12.3% year-on-year, and its leading advantage was continuously consolidated; the main businesses focused on serving the “New Infrastructure and New Urbanisation Initiatives”, vigorously expanded industrial construction and urban renewal, promoted the business structure to become new and better, and their supporting role became more powerful; the characteristic business areas maintained steady growth, and remarkable results were achieved in expanding new tracks, successfully signing new-type infrastructure projects such as the first phase of Alibaba Tongyi Large Model in Xiong’an and the first phase of China PICC Western Data Center; the scale of overseas business exceeded RMB100 billion, with the newly signed contract volume increasing by 6% year-on-year, of which the contract volume of metallurgical and mining engineer projects was RMB60.9 billion, accounting for 60.5% of the overseas engineer contracts, and the overseas business structure was more optimized.

At the end of 2025, in response to the relevant requirements of the central government to promote central enterprises to focus on their core responsibilities and main businesses, promote professional integration and optimal allocation of resources, the Company sold 100% equity and related creditor’s rights of MCC Real Estate, and 100% equity of Non-ferrous Engineering, MCC Tongsin Resources, MCC Ramu, MCC Duddar, and 67.02% equity of MCC-JJJ Mining to China Minmetals and its designated entities as approved by the 2025 First extraordinary shareholder’s meeting held on 29 December 2025 (see the relevant announcements disclosed by the Company on 8 December 2025 and 29 December 2025). By stripping non-core business assets, the Company drove the re-collection and efficient allocation of human, financial, management and other resources, realizing more prominent main businesses, clearer structure, more efficient management of the Company, and further improvement in overall operational stability and risk resistance capacity, enabling the Company to embark on its high-quality development journey with greater agility.

(II) Improved Efficiency of Technological Innovation and Comprehensive Enhancement of Core Advantages

During the Reporting Period, the Key National Laboratory for Environmental Protection in Iron and Steel Industry of the Company completed restructuring and optimization, and the Mining Resources Technological Innovation Service Platform was established and put into operation. The level of technological innovation platforms was improved. Industrial breakthroughs were made in key core technologies: the high-voltage induction heating device for molten salt energy storage was included in the recommended catalog of the Ministry of Industry and Information Technology, the pilot project of deep underground hydrogen energy storage system was selected as one of the first batch of national hydrogen energy pilots, and the fully intelligent steel structure component production line was officially put into production. Significant progress was made in the field of intelligent construction, and the first domestic self-developed intelligent construction robot cluster was released, including a project-level intelligent scheduling management system and four types of robots: high-altitude welding, multi-purpose distribution, steel bar processing and intelligent spraying. Throughout the year, the Company undertook 28 national-level major R&D projects (subjects), and won 25 Metallurgical Science and Technology Awards and 4 China Patent Awards.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(III) Improvement of Production Performance Quality and Continuous Enhancement of Brand Influence

During the Reporting Period, the Company continued to deepen the application of the “Manual for Project Management”, carried out more than 4,000 inspections at all levels, implemented the process subcontracting model, achieved full coverage of model project inspections, and transformed performance management from “extensive coverage” to “in-depth focus”. The cost control system was further improved. The first edition of the “Engineering Project Commercial Management Manual” was compiled, and the “Guidelines for Key Tasks in Project Cost Control” and “Guidelines for Project Resource Allocation” were issued and implemented. The large-scale centralized procurement at the headquarters was promoted and extended to subsidiaries, further expanding the categories and scope of centralized procurement, and achieving remarkable cost reduction results. Breakthroughs were made in quality excellence. The Company became a national excellent award recommendation unit for the first time, winning 11 China Quality Association Quality Technology Awards and 220 Quality Management Group Achievement Awards of China Construction Association and China Construction Enterprise Management Association throughout the year, achieving double improvement in the types and quantities of awards.

(IV) Continuous Improvement of Organizational Efficiency and Effective Mitigation of Debt Risks

During the Reporting Period, the Company continuously improved organizational efficiency, optimized the institutional settings and functional allocation of the headquarters, and promoted the headquarters to transform into a “strategic and enabling” type. Throughout the year, a total of 86 institutions were streamlined, and both the number and amount of loss-making entities decreased. The reform momentum of subsidiaries was continuously stimulated. 8 entities were rated as benchmark, excellent and good in the special assessments of the “Science and Technology Reform Action” and “Double Hundred Action”, and 8 new entities were selected as national-level specialized, refined, featured and new “little giant” enterprises and manufacturing single champion enterprises. By divesting relevant business assets, we have effectively mitigated debt risks and unlocked the value of our resources, thereby creating valuable room for the company to further focus on its core business, optimize its asset structure, and streamline its operations.

(V) Fully Implementation of the Valuation Enhancement Plan and the Action Plan of “Improving Quality, Increasing Efficiency, and Emphasizing Returns”, with the Quality of the Company Steadily Improving

The Company has deepened the implementation of its special action for quality and efficiency enhancement and its special action for valuation enhancement to promote high-quality and steady development. In active response to the Shanghai Stock Exchange’s “Initiative on Launching the Special Action of ‘Improving Quality, Increasing Efficiency, and Emphasizing Returns’ for Shanghai-listed Companies”, and in accordance with the relevant requirements of the China Securities Regulatory Commission and the State-owned Assets Supervision and Administration Commission of the State Council on strengthening market value management, the Company has researched and formulated its “Market Value Management System” and “Valuation Enhancement Plan” to further establish and improve its market value management mechanism. During the Reporting Period, the Company anchored by Goals for “one building, two most, five strong”, continued to optimise its business system layout characterized by “One Core, Two Main Bodies and Five Features”, coordinated the implementation of the “Five-Five” strategy to drive the high-quality development of the enterprise; accelerated the deep integration of technological and industrial innovation, leveraged technological advantages to drive the transformation and upgrading of the enterprise. At the same time, the Company actively advanced initiatives such as dividend distribution and share repurchase. It commenced the 2024 annual cash dividend distribution in July 2025 with a total dividend amount of RMB1.16 billion. In December 2025, it disclosed a plan for the repurchase of certain A shares and H shares, under which the repurchase amount for A shares will be not less than RMB1 billion and not more than RMB2 billion, and the repurchase amount for H shares will not exceed RMB500 million. As of 31 March 2026, the Company has repurchased 50,277,500 A shares and 19,637,000 H shares, for a total amount of RMB193 million, effectively maintaining the market value of the Company. The Board is of the view that the implementation of the Company’s 2025 “Valuation Enhancement Plan” has yielded positive results. In 2026, in conjunction with the strategic goal of “15th Five-Year” plan, the Company will further focus on its main business, enhance its all-round value creation capabilities, and actively reward its investors through high-quality development.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

II. THE BUSINESS SITUATION OF THE COMPANY DURING THE REPORTING PERIOD

The year 2025 marks the final year of the 14th Five-Year Plan period, as well as a year for strategic planning and preparation for the 15th Five-Year Plan. During the Reporting Period, the Company steadily advanced the business system of “One Core, Two Main Bodies and Five Features” with metallurgical construction as the core, building construction and municipal infrastructure as the main pillars, and mineral resources, engineering services, new materials, high-end equipment, and energy and environmental protection as the characteristics determined in the 14th Five-Year Plan, completed transactions related to the disposal of assets in accordance with the principle of “focusing the core business, positioning industries appropriately, and consolidating resources”, streamlining its operations to achieve a leaner, more agile structure. Meanwhile, the Company actively developed the overarching design for the 15th Five-Year Plan, anchored the development goals for “one building, two most, five strong”, continuously consolidated the strategic positioning of “International Leader in Metallurgical Construction and National Pioneer in the Construction of Two News”, and established the new “One Core, Two Main Bodies and Five Features” business system layout with metallurgical construction as the core, industrial construction and capital construction as the main bodies, and engineering services, new materials, high-end equipment, energy and environmental protection, and digital intelligence applications as the characteristics, resulting in further optimized business structure. The Company will remain firmly committed to transitioning toward a quality-and-benefit-oriented model and accelerate the pace of its retransformation and upgrading.

(I) Metallurgical construction

Metallurgical engineering, non-ferrous metals and mining engineering are the core businesses of the Company. The main business scope includes engineering construction and operation services for the new construction, expansion and transformation of the iron and steel and non-ferrous metallurgy industries (including all consulting, planning, design, construction, equipment supply, production and operation and other businesses within the scope of general contracting of ferrous and non-ferrous metallurgical construction), as well as consulting, planning, design, construction, equipment supply, production and operation and other mining engineering construction and operation services for all projects within the scope of general contracting of mining engineering. It focuses on the transformation direction of intelligence, greenization and high efficiency, and extends to provide full-life-cycle operation services. As the founder of New China’s metallurgical industry, the world’s largest, most technologically advanced and most complete industrial chain metallurgical construction contractor and operation service provider, relying on its full industrial chain integration capability integrating engineering consulting, survey, design and construction, the Company continues to lead the high-quality development of the industry and maintains an absolutely leading position in the global metallurgical engineering field.

During the Reporting Period, closely following the opportunity of structural adjustment of the iron and steel industry towards green low-carbon, intelligent and high-end, seizing the market opportunity brought by the growth of new energy metal demand, giving full play to the advantages of industrial integration such as “technology, equipment, operation and maintenance, and digitalization”, the Company actively accelerated the research and upgrading of core technologies, and further consolidated its market share in the domestic and foreign metallurgical engineering fields. The 3,500mm stainless steel medium and heavy plate project of Qingtuo constructed by the Company successfully passed the hot commissioning, marking the successful application of the world’s first innovative short-process integrated new technology and complete set of equipment for stainless steel wide plate independently developed and constructed by the Company, filling the gap in the R&D and production of high-end stainless steel medium and heavy plate products in China; the process optimization and product structure adjustment project of Jiuquan Iron and Steel’s carbon steel sheet plant constructed by the Company as a general contractor achieved hot load commissioning, marking a key step in the construction of the world’s first hot-rolled strip steel combined rolling line. In the field of mining engineering, the Company successfully undertook projects such as the Huangshi Yuntou’ao Mining Area Limestone Mine Project, the Inner Mongolia Xiaohongshan Vanadium-Titanium Magnetite 1.8 million tons/year Mining and Beneficiation Project, the Guizhou Weng’an Bauxite Mine Construction and Mining Project, and the Guizhou Yaoxin Lead-Zinc Mine Project, continuing to make efforts in mine construction and operation.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

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

No.	Name of Project (Contract)	Contract Amount (RMB100 million)
Domestic Projects		
1	1.6 million tons/year Coking and Tail Gas Comprehensive Utilization Project of Xinhe County Xinghe Industry Co., Ltd. (EPC) (新和縣星河實業有限責任公司160萬噸/年焦化及尾氣綜合利用項目(EPC))	79.0
2	EPC Project for Limestone Mine Construction in Yuntounao Mining Area, Kaitie District, Huangshi City (黃石市開鐵區雲頭嶺礦區石灰岩礦建設項目EPC)	54.9
3	EPC General Contract for Solar Photovoltaic and Wind Power Hydrogen Production for DRI Processing in Hydrogen-Based Shaft Furnace (1.2 million tons/year) Green High-Purity Precision Casting Project of Xinjiang Hengtai Green Energy Metal Casting Co., Ltd. (新疆恒泰綠能金屬鑄造有限公司太陽能光伏風能發電制氫氣在氫基豎爐加工DRI(120萬噸/年)綠色高純精密鑄件項目工程總承包(EPC))	29.5
4	EPC for 150,000 tons/year Recycled Zinc Casting Project (年產15萬噸再生鋅鑄件項目EPC)	28.9
5	General Construction Contract for Cold Rolling Coating Project of Shandong Zhongxin Metallurgical Materials Co., Ltd. (山東眾鑫冶金材料有限公司冷軋塗鍍項目建安總承包工程)	23.0
6	EPC General Contract for 200,000 tons/year Nickel Alloy Production Project of Hebei Dacheng New Materials Co., Ltd. (河北大成新材料有限公司20萬噸/年鎳合金生產項目EPC總承包)	12.9
7	Xiaohongshan Vanadium-Titanium Magnetite Mine of 1,800,000 tons/year Mining and Beneficiation Project (小紅山鈦磁鐵礦180萬噸/年採選項目)	12.7
8	Xinjiang Aktau County Ziluoyi North Iron Mine Beneficiation and Tailings Pond Project (新疆阿克陶縣孜洛依北鐵礦選礦與尾礦庫工程項目)	10.8
Overseas Projects		
1	General Contract and Management Contract for Sohar Concentrator and Supporting Yard, Long-Distance Slurry Transportation and Dry Stacking of Tailings Project in Oman (阿曼蘇哈爾選礦廠及配套料場、長距離礦漿輸送、尾礦幹堆項目總承包及管理合同)	28.8
2	EPC Engineering for 1.5 million tons/year Reheat Top-Charged Coke Oven and Supporting Facilities of Qarmet Group in Kazakhstan (哈薩克斯坦Qarmet集團年產150萬噸複熱式頂裝焦爐及配套設施EPC工程)	20.4
3	Mining, Consignment Sales and Tin Ore Processing Plant Construction and Operation Project of Tin Mine in Gobi Province, Mongolia (蒙古國中戈壁省錫礦採礦、代銷及錫礦礦石加工廠建設運營項目)	13.5
4	Tecnored Smelting Reduction Ironmaking Project of Vale in Brazil (巴西淡水河谷Tecnored熔融還原煉鐵項目)	7.9
5	Construction Contract for Indonesia OBI Nickel-Cobalt Hydrometallurgical Slag Treatment Demonstration Project (印尼OBI鎳鈷濕法渣處理示範項目建設施工合同)	8.8
6	Supply Contract for Steel Structure, Pipe Network, Valves, Electrical Materials, Flue Ducts, Non-Standard Equipment Components and Other Materials for Indonesia OBI Nickel-Cobalt Hydrometallurgical Slag Treatment Demonstration Project (印尼OBI鎳鈷濕法渣處理示範項目鋼結構、管網、閥門、電氣材料、煙風道、非標設備構件等物資供貨合同)	5.9
7	Civil Engineering of Electrolysis Workshop for Phase II of Huatong Angola Electrolytic Aluminum Project (華通安哥拉電解鋁項目二期電解車間土建工程)	4.7
8	EPC Project for New 450,000 tons/year Profile Production Line of Kazakhstan QARMET Company (哈薩克斯坦QARMET公司新建45萬噸型材生產線EPC項目)	3.8
9	SOGIP Green Steel Self-Contained Power Station Project in Sipitang, Malaysia (馬來西亞實必丹SOGIP綠色鋼鐵自備電站項目)	3.5
10	Short-Process Steel Project of Lima Shenglong Iron and Steel Co., Ltd. (利馬盛隆鋼鐵有限公司短流程鋼鐵項目)	3.1

(II) Industrial construction and capital construction

Industrial construction and capital construction are the two main businesses of the Company. Among them, the Company's industrial construction business focuses on key emerging industrial fields such as electronic factories, precision workshops, automotive/industry, light industry, petrochemical industry, power engineering, grain storage and transportation, and industrial parks, providing high-standard and professional construction services; the capital construction business mainly provides full industrial chain and full-life-cycle services around urban renewal, comprehensive renovation and district development of residential, commercial and office, historical buildings and other types; infrastructure construction for urban agglomeration integration and metropolitan area urbanization, construction of livable, resilient and smart cities, and construction of "good houses".

Relying on its profound accumulation and technological advantages in the field of industrial construction, the Company actively captures the structural dividends in the process of new urbanization, and strives to transform from an "engineering contractor" to an "urban comprehensive operation service provider" and a "new industrialization solution provider". In recent years, the Company has focused on high-quality markets, high-quality customers and high-quality projects, actively integrated into and served the national development strategy, vigorously expanded businesses such as urban renewal, district development, new energy, underground pipe networks and corridors, and comprehensive land improvement. Guided by the "Five Linkages" working mechanism, it has strived to build a full industrial chain integrated competitive advantage, and the scale of industrial construction and capital construction businesses has continued to rise. During the Reporting Period, the Company successfully undertook representative projects such as the Lexus Shanghai Factory, Hefei BOE 8.6th Generation AMOLED Line Plant Area, iRay Imaging Technology Industrial Park for X-ray Vacuum Devices, C929 R&D Support Phase II Project, as well as Zhengzhou Airport Economy Zone Cuihu District Comprehensive Development Project and Tangshan Jingtang Smart Port Science and Technology Innovation Demonstration Park Urban Renewal Project. At the same time, the Company continued to make efforts in the "Belt and Road" co-construction national market, and the newly signed contracts covered key projects in various formats such as people's livelihood infrastructure and urban renewal, world-class cultural and sports landmark steel structures, smart city supporting facilities, automotive industry bases, and green energy photovoltaic power stations. The new industrialization and new urbanization businesses achieved breakthroughs in multiple points with fruitful results, steadily enhancing the Company's brand influence.

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

No.	Name of Project (Contract)	Contract Amount (RMB100 million)
Domestic Projects		
1	Comprehensive Development Project of Cuihu District in Zhengzhou Airport Economy Zone (鄭州航空港經濟綜合實驗區翠湖片區綜合開發項目)	120.0
2	Baoshan Station City Integration and Supporting Facilities Construction Project (寶山站站城融合及配套設施建設項目)	72.1
3	Investment-Construction-Operation Integration of the Integrated Development Project Around Jindaodao Station (金融島站周邊一體化開發項目投建運一體化)	59.2
4	Urban Renewal and Quality Improvement Project of Penyao and Libamiao Districts in Nanyang City (Phase I and Phase II) (南陽市盆窑、李八廟片區城市更新提質項目(一期、二期))	56.0
5	Construction Design and General Construction Contract for AZ-04 Plot, AZ-06 Plot and AZ-08 Plot of Urban Village Reconstruction Project in Pulian District, Longhu Street, Huangpu District, Guangzhou City (廣州市黃埔區龍湖街埔聯片區城中村改造項目AZ-04地塊、AZ-06地塊、AZ-08地塊施工圖設計及施工總承包合約)	18.4
6	Michelin Open Innovation Center Project of Tomorrow Workshop (明日工場米其林開放創新中心項目)	16.3
7	Phase I Project Contract of the Western Data Center of PICC Property and Casualty Company Limited (中國人民財產保險股份有限公司西部數據中心一期工程合同)	13.3
8	Civil Engineering Project B of Factory and Ancillary Facilities of the 8.6-generation Active Matrix Organic Light-emitting Display Device Production Line Project (8.6代有源矩陣有機發光顯示器件生產線項目廠房及廠務設施項目土建工程B)	11.3
9	Main Access Road and Terminal Area Road (West Side) Construction Project-Ground Access Road and Bridge Project of the Expansion and Reconstruction Project of Kunming Changshui International Airport (昆明長水國際機場改擴建工程陸側道橋工程-主進出場路及航站區道路(西側)建設工程項目)	9.9
10	Highway Connection Project of the Yangtze River Highway-railway Bridge of the Chaohu-Ma'anshan Intercity Railway (巢馬城際鐵路長江公鐵大橋公路接線工程項目)	9.9
Overseas Projects		
1	Youth Social and Economic Center Urban Project in Hojaili City, Republic of Karakalpakstan, Uzbekistan (烏茲別克斯坦卡拉卡爾帕克斯坦共和國霍杰伊利市青年社會和經濟中心城市項目)	29.0
2	Steel Structure Subcontract Project Packages 1 to 3 of Prince Salman Stadium in Qiddiya, Saudi Arabia (沙特齊迪亞薩拉曼王子體育場鋼結構分包項目第1至第3工作包合同)	11.6
3	Affordable Housing Project of Areiy Ksatr Techo Smart City of TPMG Group in Cambodia (柬埔寨TPMG集團Areiy Ksatr Techo智慧城市經濟適用房項目)	9.7
4	Commercial and Residential Project Along the 4P-176 Out-of-Town Highway in the Republic of Karakalpakstan, Uzbekistan (烏茲別克斯坦卡拉卡爾帕克斯坦共和國4P-176出城公路沿街商業及住宅項目)	4.7
5	Construction Project of an 88MW Photovoltaic Solar Power Station in Sherarale Fort City, Tiaret Province, Algeria, including Connection to the Power Transmission Network (阿爾及利亞提亞雷特省舍拉萊堡市88兆瓦的光伏太陽能發電站建設項目)	4.4
6	General Construction Contract for the Final Assembly Workshop and Plant Area Engineering of Chery Malaysia CKD Factory Project (奇瑞馬來西亞CKD工廠項目總裝車間及廠區工程施工總承包工程合同)	4.3

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(III) Featured Business

Relying on the technological advantages of its core metallurgical construction business, the Company continuously expands its business areas. Guided by advanced processes, green low-carbon, intelligent construction technologies and equipment, it has formed characteristic advantages in business areas such as engineering services, new materials, high-end equipment, energy and environmental protection, and digital intelligence applications, striving to build new industrial pillars and profit growth points and develop new tracks for transformation and upgrading.

1. *Engineering Services*

The Company's featured engineering service business mainly covers project management, supervision, survey, quality inspection services for projects such as metallurgical engineering, non-ferrous metals and mining engineering, housing construction projects, and municipal infrastructure construction projects, as well as information technology, digital transformation services, and full-process consulting services. During the Reporting Period, two engineering supervision enterprises under the Company, Chongqing CCSDI Engineering Consulting Co., Ltd. and Beijing CERIS International Engineering Consulting Co., Ltd., successfully ranked among the top ten in China, and a subsidiary, MCC Inspection and Certification Co., Ltd., undertook the certification testing project for C919 large aircraft mass production condition capability (Phase II) construction and multiple nuclear power inspection projects.

2. *New Materials*

The Company's featured new materials business mainly covers high-performance new materials, including copper-based, aluminum-based, carbon bricks, new building materials and other materials. The Company has been accelerating the industrialization of technologies such as high-end aluminum materials and eco-friendly brass. A subsidiary of the Company, CISDI, has successfully developed 7XXX-series high-performance aluminum alloy ingots, 100kg-grade environmental-friendly brass, super-welding wires, and powder products, and has been actively promoting their application. The blast furnace carbon bricks developed by WISDRI Handan Wupeng Furnace Lining New Materials Co., Ltd., a subsidiary of the Company, rank first globally in terms of output, and its domestic market share for blast furnace carbon bricks has remained in the lead for seven consecutive years, successfully resolving the "bottleneck" challenge of sourcing high-quality carbon bricks for large and extra-large blast furnaces. The Company's subsidiary, Xi'an Huijin Technology Co., Ltd., focused primarily on the pilot production line for aluminum-silicon intermediate alloys and preliminary research on grain refiners for aluminum-based alloys, has successfully produced high-quality aluminum-silicon intermediate alloys that meet national standards, achieving a leading domestic level in key indicators such as high homogeneity, fine grain size, and low impurity content.

3. *High-end Equipment*

The Company's featured high-end equipment business mainly covers steel structure manufacturing and installation, metallurgical core equipment manufacturing and assembly integration, and mining engineering equipment manufacturing, including the manufacturing of metallurgical special equipment and non-metallurgical equipment (general equipment and special equipment). The products involved in the Company's high-end equipment business cover all professional fields of the metallurgical industry. It has a team of thousands of equipment design and R&D personnel, combined with advanced technical equipment, and relying on the close combination of engineering companies and the market, it has relatively strong competitiveness. During the Reporting Period, relying on independently developed new processes and equipment, WISDRI, a subsidiary of the Company, successfully undertook the world's first hydrochloric acid/hydrofluoric acid mixed acid regeneration project.

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4. Energy and Environmental Protection

The Company's featured energy and environmental protection business mainly covers engineering construction and services such as solid waste treatment (including urban garbage landfilling, solid waste incineration, waste incineration power generation, landfill gas power generation, etc.), energy storage (including clean energy storage such as solar energy, wind energy, hydropower, hydrogen energy, etc.), water treatment (including sewage treatment, industrial wastewater recycling, reclaimed water business, sludge disposal, etc.), air pollution control (including industrial waste gas emission treatment), and ecological restoration (river regulation, soil and land heavy metal pollution control, mine restoration). During the Reporting Period, relying on independently developed core technology products, CISDI, a subsidiary of the Company, undertook the Dunhuang Dacheng 12MW molten salt electric heating energy storage system project; CIE, a subsidiary of the Company, undertook the Zhanjiang Iron and Steel Low-Temperature Waste Heat Utilization BOO project.

5. Digital Intelligence Applications

The Company's featured digital intelligence application business mainly covers the smart engineering management systems, end-to-end digital solutions for engineering internet platforms, as well as services such as digital transformation consulting and Internet of Things technology applications. During the Reporting Period, the first vision-based large language model in the metallurgical industry, developed by the Company's subsidiary, CISDI, was successfully implemented at several steel enterprises.

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

No.	Name of Project (Contract)	Contract Amount (RMB100 million)
1	EPC General Contract for Jiangling County Mixed Air Liquefied Petroleum Gas Construction Project (Phase I) (江陵縣混空輕烴燃氣建設項目(一期)工程總承包合同)	12.0
2	New Construction Project of Zuoling Sewage Treatment Plant No. 2 and Supporting Facilities (Phase I) EPC General Contract (左嶺污水處理廠二廠及配套設施新建工程(一期)工程總承包(EPC)工程)	4.6
3	EPC General Contract for Changgang River Basin Governance and Wuchang Fish Industry Development Project in Ezhou City (鄂州市長港河流域治理暨武昌魚產業發展項目EPC總承包)	4.5
4	Software Design Contract for the Smart Factory Construction Project of Henan Iron and Steel Group Zhoukou Iron and Steel Company (河南鋼鐵集團周口鋼鐵公司智能工廠建設項目軟件設計合同)	1.2
5	Supervision 32501 Bid Section of Shenzhen Urban Rail Transit Line 32 Phase I Project (深圳市城市軌道交通32號線一期工程監理32501標)	0.2
6	Inspection Contract for C919 Large Aircraft Mass Production Condition Capability (Phase II) Construction Project (C919大型客機批生產條件能力(二期)建設項目檢測合同)	0.1

For details regarding the Company's terminated operations during the Reporting Period, refer to note XVI. 3 in Section IX "FINANCIAL STATEMENTS" of this report.

Explanation of New Important Non-Main Businesses of the Company during the Reporting Period

Applicable Not applicable

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III. INDUSTRY SITUATION OF THE COMPANY DURING THE REPORTING PERIOD

(I) Core Business – Metallurgical Construction

At present, China's iron and steel industry is still in the stage of reduced production and stock optimization, with overall operation maintaining stable and continuous deepening of structural adjustment. In 2025, the national crude steel output was 960 million tons, a year-on-year decrease of 4.4%; the total profit of key steel enterprises reached RMB115.1 billion, a year-on-year increase of 1.4 times. In October, the Ministry of Industry and Information Technology issued the "Measures for the Implementation of Capacity Replacement in the Iron and Steel Industry (Draft for Comment) (鋼鐵行業產能置換實施辦法(徵求意見稿))", further refining the identification of compliant capacity, increasing the replacement ratio, and clearly encouraging green and low-carbon transformation.

The development prospect of the overseas metallurgical construction industry is comprehensively affected by multiple factors such as global economic growth, industry development trends, technological progress, policies and regulations, international trade environment and regional market differences. On the whole, although the industry development is complex and volatile, relying on the steady growth of the global economy and the continuous progress of industry technology, there is still considerable development space.

(II) Principal Business – Industrial Construction and Capital Construction

In 2025, the total output value of the construction industry nationwide was RMB13.67 trillion, a year-on-year decrease of 1.13%, showing the characteristics of "total pressure and structural optimization". The market structure has undergone in-depth adjustment. The new housing start area decreased by 20.4% year-on-year, and the traditional housing construction continued to shrink; the investment in infrastructure increased by 2.2% year-on-year, among which the investment in water conservancy, environment and public facilities management increased by 8.5%, and the investment in transportation increased by 3.5%, becoming an important support for stable growth.

The industrial construction field is accelerating transformation. The "Industrial Power" strategy promotes the upgrading of the manufacturing industry towards intelligence and greenization, spurring the demand for the construction of smart factories, zero-carbon factories and distributed photovoltaic integration in parks, and the industrial construction is moving towards high-endization from traditional processing and manufacturing.

In terms of capital construction, urban renewal has become a new growth pole. The total market capacity during the period of 15th Five-Year Plan is expected to reach RMB20 trillion, covering the upgrade of underground pipe networks, renovation of old residential areas and urban village reconstruction, etc. Green buildings are fully promoted. All newly built urban buildings fully implement green building standards. Ultra-low energy consumption buildings and intelligent construction develop synergistically. 24 pilot cities promote a significant improvement in the digitalization level of the industry; at the same time, the green building model represented by prefabricated buildings, green building materials, and construction waste resource utilization has also become an important direction for the green and low-carbon transformation of the international infrastructure industry. The above factors together provide incremental space and transformation opportunities for the construction industry.

(III) Feature Business – Engineering Services, New Materials, High-end Equipment, Energy and Environmental Protection, Digital Intelligence Applications

With the establishment of the investment growth mechanism for future industries in 2025, the “Implementation Opinions on Promoting the Innovative Development of Future Industries (關於推動未來產業創新發展的實施意見)” jointly issued by seven ministries and commissions including the Ministry of Industry and Information Technology has entered the in-depth implementation stage. The state focuses on six major directions: future manufacturing, future information, future materials, future energy, future space and future health, and systematically layouts technological research and development and accelerates industrialization. The characteristic businesses that the Company focuses on, such as engineering services, new materials, high-end equipment, energy and environmental protection, and digital intelligence applications, are highly in line with policy orientations and key nodes of the industrial chain, and are about to usher in a growth window from technological research and development to commercial landing.

1. Engineering Services

At the national level, the strategic positioning of producer services is continuously strengthened, and they are regarded as a key supporting force for the high-quality development of the manufacturing industry. The National Development and Reform Commission issued the “Opinions on Accelerating the High-Quality Development of Manufacturing Services (關於加快推動製造服務業高質量發展的意見)”, proposing to comprehensively improve the professionalism and value creation capacity of manufacturing services through digital transformation and the integration of manufacturing and services; the “Opinions on the High-Quality Development of Services in the New Era (關於新時代服務業高質量發展的指導意見)” includes producer services such as engineering consulting into the modern service system, emphasizing the deep coupling of manufacturing and modern services. In terms of service model reform, the “Opinions on Promoting the Development of Full-Process Engineering Consulting Services(關於推進全過程工程諮詢服務發展的指導意見)” requires integrating scattered services such as survey, design and supervision to build an integrated service system covering the whole life cycle of projects, so as to improve professional collaboration efficiency and engineering management capacity. It is expected that the market scale of engineering services will continue to increase during the 15th Five-Year Plan period. The Company leveraging its technological expertise and qualification advantages accumulated over more than 70 years across the entire steel metallurgy process and industrial chain, relying on the advantage of full-life-cycle engineering consulting and general contracting services, the Company will firmly grasp the strategic opportunity for business growth.

2. New Materials

As an important part of strategic emerging industries, new materials have received strong support from national policies in recent years. The rapid development of downstream industries has driven the growth of the new materials market scale. From the perspective of the expansion trend of the global integrated circuit industry material market, affected by major strategies such as the Internet of Things technology, 5G technology and artificial intelligence, the market scale of metal-based materials such as copper-based and aluminum-based materials will maintain a high-speed expansion trend in the future. With the continuous expansion of application scenarios of new materials, the Company’s metal-based materials business will obtain strong market traction.

3. *High-end Equipment*

During the 15th Five-Year Plan period, China's high-end equipment manufacturing industry will continue to maintain steady growth in overall scale under the triple driving forces of strong policy promotion, technological innovation breakthroughs and market demand upgrading. It is expected that by 2030, the added value of the industry will account for nearly 40% of the industry, and the operating income scale will approach RMB40 trillion. Among them, high-end equipment-related industries such as intelligent manufacturing, mining equipment, industrial robots, intelligent connected vehicles and rail transit equipment will achieve rapid expansion, forming a number of globally competitive industrial clusters in strategic directions such as intelligent manufacturing equipment, commercial aerospace, deep-sea development and high-end medical care. Benefiting from the upgrading and development of the equipment manufacturing industry, the Company's steel structure, metallurgical and non-metallurgical equipment businesses are expected to obtain incremental development space.

4. *Energy and Environmental Protection*

The energy and environmental protection industry is a strategic emerging industry vigorously developed in China, with a rapidly expanding market scale. In recent years, the state has strived to improve environmental protection standards, increased subsidies for environmental protection industries and technologies, and required enterprises to strengthen solid waste resource utilization and industrial wastewater recovery through the implementation of systems such as the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (固體廢物污染環境防治法)" and the "Opinions on Promoting the Resource Utilization of Sewage (關於推進污水資源化利用的指導意見)", promoting the construction of a green governance system. The dual carbon goals provide rigid constraints for industrial development. In terms of financial incentives, priority is given to supporting the R&D and industrialization of energy storage technologies, improving relevant market mechanisms, and at the same time, promoting industrial development through policies such as subsidies, tax incentives and fund investment with reference to international experience. In terms of technological innovation, continuous efforts are made to increase scientific research funding for key technologies such as hydrogen energy storage and compressed air energy storage, promoting the breakthrough and industrial upgrading of energy and environmental protection technologies, and helping the Company's energy and environmental protection business achieve simultaneous improvement in scale and added value.

5. *Digital Intelligence Applications*

Driven by digital transformation, digital intelligence applications are growing rapidly, and the market scale is continuously expanding. The state has issued a number of supportive policies. The "Overall Layout Plan for Digital China Construction (數字中國建設整體佈局規劃)" clearly accelerates the innovative application of digital technologies in key fields such as industry, finance, transportation and energy, and comprehensively improves the level of digital capacity building; the State Council's "Opinions on Further Implementing the "Artificial Intelligence +" Action (關於深入實施"人工智能+"行動的意見)" promotes the intelligent linkage of all elements in industry and the in-depth integration of the industrial Internet, forming an integrated capacity of intelligent perception, intelligent decision-making and intelligent execution. The policy clearly states that by 2030, artificial intelligence will fully empower high-quality development, and the popularization rate of intelligent terminals and intelligent agent applications will exceed 90%, marking that digital intelligence applications will leap from "supplementing and strengthening the chain" to "reshaping the chain", systematically driving the development of the Company's digital intelligence application business and continuously strengthening the Company's new advantages in the intelligence of the metallurgical and construction industries.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

IV. ANALYSING ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

- (I) **Strong Value Creation Capacity.** Leveraging its technical and qualification advantages accumulated over more than 70 years in the entire process and industrial chain of steel metallurgy, the Company strengthens its core metallurgical construction business to consolidate the “basic disk” of traditional advantages; optimizes its two main businesses of industrial construction and capital construction to consolidate the “ballast stone” of scale and efficiency; expands its five characteristic businesses including engineering services, new materials, high-end equipment, energy and environmental protection, and digital intelligence applications to develop new tracks for transformation and upgrading, forming a diversified business system layout of “One Core, Two Main Bodies and Five Features”. This business structure holds distinct advantages in terms of reinforcing business synergy and enhancing resilience. Through sharing technologies, customer resources and supply chains among related businesses, the Company helps form synergy effects, further reduces operating costs, improves overall competitiveness, and provides strong support for expanding emerging market space.
- (II) **Strong Market Competitiveness.** The Company is the world’s largest and strongest metallurgical construction contractor and metallurgical enterprise operation service provider, with absolute competitive advantages and leading position in the field of metallurgical engineering. The Company has world-leading technical strength in the field of metallurgical engineering, accumulated core technical advantages and design and construction capabilities throughout all links of metallurgical engineering, especially independent core technologies in blast furnaces, converters, steel rolling, etc.; it has all the largest and strongest metallurgical design institutes ranked among the top in the domestic metallurgical engineering field, and has taken the lead in completing the planning, design and construction of almost all large and medium-sized metallurgical complex enterprises in China, occupying most of the domestic metallurgical market share, with a global share far exceeding other competitors, and having an unshakable market influence.
- (III) **Strong Innovation Driving Force.** The Company has a relatively complete technological innovation system in fields such as metallurgical construction, industrial construction, capital construction and featured business, and is committed to original and leading technological R&D and transformation and application. As of 31 December 2025, the Company has 25 national-level scientific and technological R&D platforms, more than 54,000 valid patents, 8 “Science and Technology Reform” and “Dual Hundred” enterprises, 10 national-level manufacturing single champions, and 14 specialized, refined, featured and new “little giant” enterprises. It has accumulated 58 national science and technology awards, issued 68 international standards and 670 national standards. It not only has a high right to speak in the field of metallurgical construction, but also shows strong development potential in emerging fields such as green low-carbon and intelligent construction. As at the end of the Reporting Period, the Company has 1 academician of the Chinese Academy of Engineering, 10 national masters of engineering survey and design, 2 experts of the National Hundred, Thousand and Ten Thousand Talent Project, 3 winners of the Grand Skill Award of China, 3 gold medalists of the World Skills Competition, 86 National Technical Experts, and 10 national skill master studios, as well as more than 60,000 engineering and technical personnel, with strong scientific research resources and a solid scientific research team.

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- (IV) Strong Resource Allocation Capacity.** The Company has unique full-industrial chain system integration capabilities, with 11 engineering design and research companies, 15 large-scale construction enterprises, 4 comprehensive Class A design qualifications, 3 comprehensive Class A survey qualifications, 9 comprehensive supervision qualifications, and 51 special-grade general contracting qualifications, forming a high-level and diversified qualification matrix. The Company has a complete engineering construction industrial chain covering scientific research and development, consulting and planning, surveying and mapping, engineering design, engineering supervision, civil engineering construction, installation and commissioning, operation management, equipment manufacturing and complete sets, technical services and import and export trade. Compared with general engineering design enterprises, engineering construction enterprises or equipment manufacturing enterprises, it can integrate resources across the entire industrial chain to provide customers with more comprehensive and integrated services. At the same time, by effectively exerting the integrated role of the “Five Linkages” of internal units, it further strengthens the coordinated development and complementary advantages of the upstream and downstream of the industrial chain, and improves the Company’s market competitiveness in comprehensive projects.
- (V) Strong Cultural Soft Power.** The Company’s history can be traced back to the earliest steel industry construction force in New China, and it is the pioneer and main force of China’s steel industry. Since 1948, it has participated in the construction of Anshan Iron and Steel, the “cradle of China’s steel industry”, and then constructed Wuhan Iron and Steel, Baotou Iron and Steel, Taiyuan Iron and Steel, Panzhihua Iron and Steel, Baoshan Iron and Steel, etc. It has successively undertaken the planning, survey, design and construction projects of the main production facilities of almost all large and medium-sized steel enterprises in China, and is the founder of building the “steel frame” of New China. Thus, it has accumulated and formed an excellent inheritance characterized by fearlessness of hardships, forging ahead, unity and struggle, and courage to fight, which has become a huge spiritual wealth of the Company. The Company anchors the Goals for “one building, two most, five strong”, and guides all cadres and employees to move forward in the same direction with simplicity and honesty, responsibility, integrity and courage to strive for excellence, bursting out new vitality again. The excellent corporate culture formed and accumulated in this process is the Company’s unique winning formula and a strong spiritual force for the long-term development of the foundation, and has become an important part of the Company’s core competitiveness.

V. PRINCIPAL OPERATION RESULTS DURING THE REPORTING PERIOD

During the Reporting Period, the operating revenue of the Company amounted to RMB455,380,420 thousand, representing a year-on-year decrease of 17.51%, the total profit amounted to RMB5,009,294 thousand, representing a year-on-year decrease of 45.87%; and the net profit attributable to shareholders of parent company amounted to RMB1,321,768 thousand, representing a year-on-year decrease of 80.41%.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(I) Analysis on major operating business

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

Unit: RMB'000

Item	Amount for the current year	Amount for the prior year	Change in proportion (%)
Operating income	455,380,420	552,024,638	-17.51
Operating cost	409,445,805	498,543,592	-17.87
Selling expenses	3,024,169	3,063,315	-1.28
Administrative expenses	11,482,627	11,830,595	-2.94
Financial expenses	989,218	1,078,705	-8.30
Research and development expenses	13,963,960	16,406,225	-14.89
Net cash flow from operating activities	15,322,753	7,847,704	95.25
Net cash flow from investing activities	23,709,157	(9,582,031)	N/A
Net cash flow from financing activities	(12,691,960)	11,059,823	-214.76

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

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

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

Explanation of the reasons for the change in administrative expenses: Mainly due to the decrease in administrative expenses such as travel and office expenses.

Explanation of the reasons for the change in financial expenses: Mainly due to a year-on-year increase in foreign exchange gains.

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

Explanation of the reasons for the change in net cash flow from operating activities: Mainly due to the Company's enhanced efforts in account collection and rigorous management of capital funds.

Explanation of the reasons for the change in net cash flow from investing activities: Mainly due to the Company's optimization of asset structure and the cash recovered from the disposal of real estate and mineral resources businesses.

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Explanation of the reasons for the change in net cash flow from financing activities: Mainly due to the Company's proactive adjustment of debt structure and optimization of capital layout by utilizing the recovered funds.

Detailed explanation of significant changes in the Company's business type, profit composition or profit source during the current period

As considered and approved at the 80th meeting of the third session of the Board held on 8 December 2025, and the 2025 first extraordinary shareholders' meeting held on 29 December 2025, the Company transferred its 100% equity interest and related debts in MCC Real Estate, 100% equity interest in Non-ferrous Engineering, MCC Tongsin Resources and MCC Ramu, and 67.02% of the equity interest in MCC-JJJ Mining to Minmetals Land Holdings and China Minmetals. This transaction has resulted in significant changes to the Company's comprehensive real estate and mineral resources business segments. For details regarding the impact on the Company's 2025 operating results, please refer to the relevant contents of "Note 16.3 Discontinued Operations" and "Note 16.1 Segment Information" in Section IX FINANCIAL STATEMENTS.

2. *Analysis on revenue and costs*

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

The Company's financial position and operating results are subject to the combined impact of multiple factors, including the international and domestic macroeconomic environment, changes in China's fiscal and monetary policies, the development status of the industry in which the Company operates, and the implementation of national industry regulation and control policies:

1) Trend of macro-economy internationally and domestically

The global economy continues to recover amid adjustments, demonstrating strong resilience. China's long-term positive economic fundamentals remain solid, with high-quality development advancing steadily, creating a stable and favorable macroeconomic environment for the operations and development of the Company. The domestic market is vast and features a comprehensive industrial system, with development trends characterized by new industrialization and green and low-carbon transformation continuing to inject new momentum into economic growth. The business income of the Company are derived primarily from the PRC, which fully capitalized on the strategic opportunities arising from the optimization of the domestic economic structure and industrial upgrading.

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

Currently, the metallurgy construction and national major infrastructure sectors are entering a strategic window of opportunity for green, low-carbon transformation and high-quality development; as the domestic steel industry continues to deepen supply-side structural reforms, driven by the "dual carbon" goals, demand for green and intelligent upgrades continues to grow, providing ample room for the Company to leverage its technical expertise as a leading metallurgical construction national team and full-industry-chain advantages. In response to structural changes in market demand, the Company has proactively optimized its business layout, firmly refocused on engineering contracting and its core featured business, and fully implemented the strategic requirements for high-quality development. In its operations, the Company has consistently adhered to the philosophy of "no contracts without revenue, no revenue without profit, and no profit without cash flow", proactively selected high-quality projects and optimized its structure, further concentrating resources on premium businesses that are technologically advanced, highly profitable, and aligned with national strategic priorities. Through continuous optimization of its business structure and rigorous screening of project quality, the Company has driven the allocation of resources toward high-value-added sectors, thereby promoting the intrinsic optimization of its business structure and the sustained improvement of its financial position.

Both items 1) and 2) above were the major risk factors that impacted the Company's performance in 2025.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

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

① Impact from changes in the tax policy

The Company's operating results and financial position were influenced by changes in the State's tax policy through the impact of tax burdens of the Company and its subsidiaries. The preferential tax policy for the development of the western regions and the preferential tax policies for hightech enterprises currently enjoyed by some of the Company's subsidiaries may undergo some changes following the changes in the PRC's tax policies. Changes in the relevant preferential tax policies would affect the Company's financial performance.

② Impact of the fluctuations in exchange rate and monetary policy

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

4) Overseas tax policies and their changes

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

5) Changes in major raw materials prices

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

6) Construction subcontracting expenses

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

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

7) Enhancement in the quality of operational management

The operating performance of the Company is closely linked to its governance effectiveness and internal control standards. In 2025, the Company continued to focus on its strategic goals, optimized the “One Core, Two Main Bodies and Five Features” business structure, deepened improvements in foundational management, strengthened comprehensive risk management and compliance system construction, and enhanced decision-making and operational efficiency through reform and innovation. The effectiveness of these management initiatives is the key internal driver behind the Company’s sustained performance improvement.

8) Uneven distribution of revenue

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

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

Unit: RMB’000

By Industry	Main Businesses by Industry						Gross Profit Margin Change Compared with Previous Year (%)
	Operating Income	Operating Cost	Gross Profit Margin (%)	Operating Income Change Compared with Previous Year (%)	Operating Cost Change Compared with Previous Year (%)	Gross Profit Margin Change Compared with Previous Year (%)	
Engineering contracting	407,981,532	369,044,860	9.54	-19.32	-19.62	Increased by 0.33 percentage points	
Featured business	32,735,196	27,625,231	15.61	2.65	2.48	Increased by 0.14 percentage points	
Discontinued operation	20,618,810	18,157,933	11.94	-4.07	-5.32	Increased by 1.17 percentage points	

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

By Region	Main Businesses by Region					
	Operating Income	Operating Cost	Gross Profit Margin (%)	Operating Income Change Compared with Previous Year (%)	Operating Cost Change Compared with Previous Year (%)	Gross Profit Margin Change Compared with Previous Year (%)
PRC	423,833,103	383,778,477	9.45	-19.10	-19.14	Increased by 0.04 percentage points
Other countries/ regions	31,547,317	25,667,328	18.64	12.13	7.23	Increased by 3.72 percentage points

Note: The revenue and costs for each industry segment are figures before inter-segment eliminations.

Explanation of the Situation of Main Businesses by Industry, Product, Region and Sales Model

1) Explanation on Major Business by Segment

① Engineering contracting business

The engineering contracting business mainly comprises metallurgical construction business, housing construction and municipal infrastructure engineering business. Among these, metallurgical construction business is the Company's traditional core business, while housing construction and municipal infrastructure engineering businesses are the Company's two main businesses. Engineering contracting business is mainly carried out by way of EPC contract and general financing and construction contracting contract, and is currently the major source of income and profits of the Company. The gross profit margins of the engineering contracting business for the years 2025 and 2024 were 9.54% and 9.21%, respectively, with a year-on-year increase of 0.33 percentage points.

② Featured business

The Company's featured businesses mainly include new materials, engineering services, high-end equipment, and energy and environmental protection. For the years of 2025 and 2024, the overall gross profit margin of the Company's featured business was 15.61% and 15.47%, respectively, with a year-on-year increase of 0.14 percentage points.

③ Discontinued operation

For the years of 2025 and 2024, the overall gross profit margin of the Company's discontinued operation was 11.94% and 10.77%, respectively, with a year-on-year increase of 1.17 percentage points.

Note: The amounts and percentages listed above are based on the Company's continuing operations and do not include statistics related to discontinued operations.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

2) Explanation on Major Business by Region

For details, please refer to Note XVI.1 “Segment Information” in Section IX “FINANCIAL STATEMENTS” of this report.

(3) Proportion of operating revenue from engineering projects to the Company’s total revenue for the last three years

Unit: RMB’000

Items of revenue	2025		2024		2023	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Engineering contracting	407,981,532	88.43	505,703,305	90.45	589,030,938	89.86
Including: Metallurgical construction	87,535,433	18.97	102,803,729	18.39	108,856,076	16.61
Housing construction and municipal infrastructure engineering	313,298,514	67.91	397,148,971	71.04	472,701,898	72.12

Note: The amounts and percentages for each industry segment listed in this table are based on the Company’s continuing operations and do not include statistics related to discontinued operations, and the revenue and costs for each industry segment are figures before inter-segment eliminations.

(4) Table of production and sales volume analysis

Applicable Not applicable

(5) Performance of major purchase contracts and major sales contracts

Applicable Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(6) Table of cost analysis

Unit: RMB'000

Segments	Costs component	By segment			Proportion of the amount for the same period in the previous year	Percentage change in the amount for the current period as compared to that for the 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	369,044,860	88.96	459,138,885	90.87	-1.91
Featured business	Operating costs	27,625,231	6.66	26,956,904	5.34	1.32
Discontinued operation	Operating costs	18,157,933	4.38	19,178,987	3.80	0.58

Note: The revenue and costs for each industry segment are figures before inter-segment eliminations.

(7) Main cost composition of the engineering projects for the last three years

Unit: RMB'000

Items of cost	2025		2024		2023	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Engineering contracting	369,044,860	88.96	459,138,885	90.87	535,309,108	90.17
Including: Metallurgical construction	79,094,819	19.07	93,769,886	18.56	97,725,079	16.46
Housing construction and municipal infrastructure engineering	283,823,471	68.42	360,472,187	71.34	431,385,404	72.66

Note: The amounts and percentages for each industry segment listed in this table are based on the Company's continuing operations and do not include statistics related to discontinued operations, and the revenue and costs for each industry segment are figures before inter-segment eliminations.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Other Explanations on Cost Analysis

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

Unit: RMB'000

Items of cost	2025		2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Subcontracting expenses	208,527,178	56.50	257,954,652	56.18
Material expenses	111,599,053	30.24	139,761,456	30.44
Labor costs	22,906,620	6.21	30,742,095	6.70
Machinery usage fees	6,812,326	1.85	7,291,993	1.59
Others	19,199,683	5.20	23,388,689	5.09
Total engineering costs	369,044,860	100.00	459,138,885	100.00

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

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

For details, please refer to Note VIII “Changes in Scope of Consolidation” in Section IX “FINANCIAL STATEMENTS” of this report.

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

During the Reporting Period, in response to the relevant requirements of the central government to promote central enterprises to focus on their core responsibilities and main businesses, promote professional integration and optimal allocation of resources, the Company sold 100% equity and related creditor’s rights of MCC Real Estate, and 100% equity of Non-ferrous Engineering, MCC Tongsin Resources, MCC Ramu, MCC Duddar, and 67.02% equity of MCC-JJJ Mining to China Minmetals and its designated entities as approved by the 2025 first extraordinary shareholders’ meeting held on 29 December 2025 (see the relevant announcements disclosed by the Company on 8 December 2025 and 29 December 2025). By stripping non-core business assets, the Company drove the re-collection and efficient allocation of human, financial, management and other resources, realizing more prominent main businesses, clearer structure, more efficient management of the Company, and further improvement in overall operational stability and risk resistance capacity, enabling the Company to embark on its high-quality development journey with greater agility.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(10) Information of major sales customers and major suppliers

A. Information of major sales customers and suppliers of the Company

Top five sales customers

The sales of top five major sales customers amounted to RMB39,934,520 thousand, accounting for 8.77% of the total annual sales; of which, the sales of top five major customers derived from the sales to related parties amounted to RMB5,320,833 thousand, accounting for 1.17% of the total annual sales.

Unit: RMB'000

No.	Customer's name	Operating revenue	Proportion of the total operating revenue of the Company (%)
1	China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司)	23,125,351	5.08
2	China Minmetals Corporation (中國五礦集團有限公司)	5,320,833	1.17
3	Henan Airport Construction and Development Co., Ltd. (河南空港建設發展有限公司)	4,650,195	1.02
4	Angang Holding (鞍山鋼鐵集團公司)	3,561,457	0.78
5	HBIS Group Co., Ltd. (河鋼集團有限公司)	3,276,684	0.72
Total	/	39,934,520	8.77

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Top Five Suppliers

The procurement of top five suppliers amounted to RMB10,844,002 thousand, accounting for 2.65% of the total annual procurement; of which, the procurement from related parties under the procurement of top five suppliers amounted to RMB6,665,619 thousand, accounting for 1.63% of the total annual procurement.

Unit: RMB0'000

No.	Supplier name	Procurement volume	Proportion of annual total procurement volume (%)
1	China Minmetals Corporation (中國五礦集團有限公司)	6,665,619	1.63
2	China Baowu Steel Group Corporation (中國寶武鋼鐵集團有限公司)	1,407,718	0.34
3	Anhui Hongxiang Building Materials Co., Ltd. (安徽鴻翔建材有限公司)	979,720	0.24
4	Benxi Steel (Group) Co., Ltd (本溪鋼鐵(集團)有限責任公司)	932,399	0.23
5	Guangdong Provincial Construction Engineering Group Co., Ltd. (廣東省建築工程集團有限公司)	858,546	0.21
Total /		10,844,002	2.65

- B. Situations where the sales proportion to a single customer exceeds 50% of the total during the Reporting Period, there are new customers among the top five customers, or there is a severe dependence on a few customers

Applicable Not applicable

Situations where the procurement proportion from a single supplier exceeds 50% of the total during the Reporting Period, there are new suppliers among the top five suppliers, or there is a severe dependence on a few suppliers

Applicable Not applicable

- C. Situations where the company's stocks were subject to delisting risk warning or other risk warnings during the Reporting Period

Applicable Not applicable

- D. Situations where the company has trading business income during the Reporting Period

Applicable Not applicable

Top Five Customers with Trading Business Income Accounting for More Than 10% of Operating Income

Applicable Not applicable

Top Five Suppliers with Trading Business Income Accounting for More Than 10% of Operating Income

Applicable Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

3. Expenses

(1) Selling Expenses

The Company's selling expenses mainly include employee compensation costs, travelling expenses, and sale services expenses. In 2025 and 2024, the Company's selling expenses were RMB3,024,169 thousand and RMB3,063,315 thousand respectively, representing a year-on-year decrease of 1.28%, which was mainly due to the decrease in the Company's selling expenses such as sales service fees and business entertainment expenses.

(2) Administrative expenses

The Company's administrative expenses mainly include employee compensation costs, depreciation expenses and domestic travel expenses. In 2025 and 2024, the Company's administrative expenses were RMB11,482,627 thousand and RMB11,830,595 thousand respectively, representing a year-on-year decrease of 2.94%, which was mainly due to the decrease in administrative expenses such as travel expenses and office expenses.

(3) Financial expenses

The Company's financial expenses include costs of borrowing, exchange gains or losses, bank charges, etc. incurred in operating business. In 2025 and 2024, the Company's financial expenses were RMB989,218 thousand and RMB1,078,705 thousand respectively, representing a year-on-year decrease of 8.30%, which was mainly due to the year-on-year decrease in foreign exchange gains.

(4) Research and development expenses

The Company's research and development expenses include personnel labour costs, direct input costs, depreciation expenses, equipment debugging fees, and experimental fees. In 2025 and 2024, the Company's research and development expenses were RMB13,963,960 thousand and RMB16,406,225 thousand respectively, representing a year-on-year decrease of 14.89%, which was mainly due to the decrease in R&D investment during the year.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

4. Research and development expenditure

(1) Research and Development Investment Situation Table

Unit: RMB'000

Expensed research and development expenditure for the current period	13,963,960
Capitalized research and development expenditure for the current period	–
Total research and development expenditure	13,963,960
Proportion of total research and development expenditure to operating revenue (%)	3.07%
Proportion of capitalized research and development expenditure (%)	–

(2) Table of R&D personnel

Number of R&D personnel in the Company	12,064
The ratio of R&D personnel to the total number of our employee (%)	13.41

Educational structure of R&D personnel

Education type	Number
PhD	406
Master	4,342
Undergraduate	6,643
Junior college	588
High school education or less	85

Age structure of R&D personnel

Age category	Number
Under 30 (excluding)	2,276
30–40 (including 30, excluding 40)	5,403
40–50 (including 40, excluding 50)	3,266
50–60 (including 50, excluding 60)	1,096
60 and above	23

(3) Explanation

Applicable Not applicable

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

Applicable Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

5. Cash Flow

The cash flows of the Company are as follows:

Unit: RMB'000

Item	2025	2024
Net cash flow from operating activities	15,322,753	7,847,704
Net cash flow from investing activities	23,709,157	(9,582,031)
Net cash flow from financing activities	(12,691,960)	11,059,823

(1) Operating activities

In 2025 and 2024, the Company's net cash flows from operating activities amounted to RMB15,322,753 thousand and RMB7,847,704 thousand, respectively. For the years 2025 and 2024, the cash inflow generated from operating activities mainly came from the cash received from sales of products and provision of services, accounting for 97.20% and 96.70% respectively with respect to the cash inflow generated from operating activities. The Company's cash outflow generated from operating activities mainly consisted of cash paid out for commodities purchased and the labour services received, cash paid to and for staff and payment for various taxes, etc. In 2025 and 2024, such cash outflow accounted for 85.29%, 7.03%, 2.56% and 85.40%, 6.98%, 2.87%, respectively with respect to the cash outflow generated from operating activities.

(2) Investing activities

In 2025 and 2024, the Company's net cash flows from investing activities amounted to RMB23,709,157 thousand and RMB-9,582,031 thousand, respectively. The Company's cash inflow generated from investing activities primarily included cash received from disposal and acquisitions of subsidiaries and other investing activities, as well as cash received from the disposal of fixed assets, intangible assets, and other long-term assets, which accounted for 95.96%, 1.70% and 56.73%, 24.74% of the cash inflow generated from investing activities in 2025 and 2024, respectively. The Company's cash outflow generated from investing activities mainly consisted of cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets, as well as cash paid for investments, which accounted for 58.68%, 40.54% and 51.50%, 26.96% of the cash outflow generated from investing activities in 2025 and 2024, respectively.

(3) Financing activities

In 2025 and 2024, the Company's net cash flows from financing activities amounted to RMB-12,691,960 thousand and RMB11,059,823 thousand, respectively. The Company's cash inflow from financing activities primarily consisted of cash received from borrowings, accounting for 81.21% and 91.59% of the cash inflow from generated financing activities for the years 2025 and 2024, respectively. The Company's cash outflow from financing activities mainly included cash paid for debt repayment, accounting for 81.63% and 91.82% of the cash outflow from financing activities for the years 2025 and 2024, respectively.

(II) Explanation of material changes in profits from non-major business

Applicable Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(III) Analysis on assets and liabilities

1. Assets and Liabilities

Unit: RMB'000

Items	Amount at the end of the current period	Proportion of the amount at the end of current period to total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the current period to total assets (%)	Percentage change in the amount at the end of the current period as compared to that at the end of the previous period (%)
Current assets	639,634,797	76.19	599,767,170	74.23	6.65
Cash and bank balances	77,764,883	9.26	52,558,851	6.50	47.96
Accounts receivable	243,437,020	29.00	213,513,725	26.42	14.01
Inventories	15,687,453	1.87	75,593,134	9.36	-79.25
Contract assets	189,499,733	22.57	156,291,569	19.34	21.25
Non-current assets	199,853,885	23.81	208,248,585	25.77	-4.03
Intangible assets	26,597,565	3.17	33,639,591	4.16	-20.93
Total assets	839,488,682	100.00	808,015,755	100.00	3.90
Current liabilities	606,414,578	92.45	573,629,900	91.68	5.72
Short-term borrowings	22,127,213	3.37	33,853,836	5.41	-34.64
Notes payable	25,608,315	3.90	30,147,409	4.82	-15.06
Accounts payable	396,600,873	60.46	335,085,043	53.56	18.36
Contract liabilities	56,137,036	8.56	61,190,649	9.78	-8.26
Non-current liabilities	49,514,666	7.55	52,049,989	8.32	-4.87
Long-term borrowings	41,446,692	6.32	40,311,531	6.44	2.82
Total liabilities	655,929,244	100.00	625,679,889	100.00	4.83

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(1) Analysis on the structure of assets

Cash and bank balances

As at 31 December 2025 and 31 December 2024, the balances of cash and bank balances of the Company were RMB77,764,883 thousand and RMB52,558,851 thousand, respectively, representing an increase of 47.96% from the beginning of the year.

As at 31 December 2025 and 31 December 2024, the restricted cash and bank balances of the Company were RMB8,278,623 thousand and RMB9,368,247 thousand, respectively, which accounted for 10.65% and 17.82% of the cash and bank balances, respectively. The restricted cash and bank balances mainly included bank deposits for issuing acceptance bills, guarantee deposits, frozen funds for lawsuit, project supervision funds and wage deposits for rural migrant workers, etc.

Accounts receivable

As at 31 December 2025 and 31 December 2024, the carrying value of the Company's accounts receivable were RMB243,437,020 thousand and RMB213,513,725 thousand, respectively, representing an increase of 14.01% from the beginning of the year, which was mainly due to the 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. During the Reporting Period, the inventory structure of the Company reflected the characteristics of the engineering contracting, featured business and comprehensive real state in which the Company was engaged.

As at 31 December 2025 and 31 December 2024, the Company's net inventories were RMB15,687,453 thousand and RMB75,593,134 thousand, respectively, representing a decrease of 79.25% from the beginning of the year.

Contract assets

Contract assets of the Company are mainly completed and unsettled inventories and construction quality guarantee deposits with regard to the engineering contracting service contracts. As at 31 December 2025 and 31 December 2024, the net contract assets of the Company amounted to RMB189,499,733 thousand and RMB156,291,569 thousand, respectively, representing an increase of 21.25% from the beginning of the year, which was mainly due to the increase in contract assets related to engineering contracting services.

Intangible assets

As at 31 December 2025 and 31 December 2024, the aggregated carrying value of the Company's intangible assets were RMB26,597,565 thousand and RMB33,639,591 thousand, respectively, representing a decrease of 20.93% from the beginning of the year. The Company's intangible assets mainly included land use rights, franchise right, patent and proprietary technology, as well as mining rights etc..

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(2) Analysis on the structure of liabilities

Long-term and short-term borrowings

Long-term and short-term borrowings of the Company mainly consisted of credit loans, pledge loans and guaranteed loans from commercial banks and other financial organizations. As at 31 December 2025 and 31 December 2024, the carrying value of the Company's short-term borrowings were RMB22,127,213 thousand and RMB33,853,836 thousand, respectively, representing a decrease of 34.64% from the beginning of the year. As at 31 December 2025 and 31 December 2024, the carrying value of the Company's long-term borrowings were RMB41,446,692 thousand and RMB40,311,531 thousand, respectively, representing an increase of 2.82% from the beginning of the year.

During the Reporting Period, the short-term borrowings and long-term borrowings repaid by the Company amounted to RMB195,109,285 thousand and RMB24,560,932 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 RMB16,473,457 thousand and RMB12,102,090 thousand, respectively.

Accounts payable

Accounts payable mainly included material costs payable to suppliers and engineering costs payable to subcontractors by the Company. As at 31 December 2025 and 31 December 2024, the Company's carrying value of accounts payable were RMB396,600,873 thousand and RMB335,085,043 thousand, respectively, representing an increase of 18.36% from the beginning of the year.

Contract liabilities

Contract liabilities mainly comprise contract liabilities related to engineering contracting services and sales contracts. As at 31 December 2025 and 31 December 2024, the Company's carrying value of contract liabilities amounted to RMB56,137,036 thousand and RMB61,190,649 thousand, respectively, representing a decrease of 8.26% from the beginning of the year.

2. Overseas assets

(1) Asset size

Among them: overseas assets 27,443,689 (Unit: RMB thousand), accounting for 3.27% of the total assets.

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

Applicable Not applicable

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

For details, see note VII. 24 in Section IX "FINANCIAL STATEMENTS" of this report.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Analysis on the operational information in the industry

Analysis on the operational information in the construction industry

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

Unit: RMB'000

Sub-segment	Housing construction	Infrastructure construction	Metallurgical engineering	Others	Total
Number of projects <i>(Unit)</i>	5,124	1,902	3,430	255	10,711
Total amount	35,222,274	8,602,935	16,502,231	783,553	61,110,993

Unit: RMB'000

Project location	Number of projects <i>(Unit)</i>	Total amount
Domestic	10,487	60,168,567
Overseas	224	942,426
Including:		
Asia	174	876,918
Africa	22	29,760
South America	16	6,467
Europe	7	10,632
Oceania	2	936
North America	3	17,713
Total	10,711	61,110,993

Other descriptions:

Applicable Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

2. Projects under construction during the Reporting Period

Unit: RMB'000

Sub-segment	Housing construction	Infrastructure construction	Metallurgical engineering	Others	Total
Number of projects (Unit)	4,342	2,029	4,173	907	11,451
Total amount	190,346,459	71,820,234	69,267,513	8,152,471	339,586,677

Unit: RMB'000

Project location	Number of projects (Unit)	Total amount
Domestic	10,900	316,599,240
Overseas	551	22,987,437
Including:		
Asia	455	21,317,052
Africa	28	872,253
South America	16	97,997
Europe	47	368,732
Oceania	4	309,731
North America	1	21,672
Total	11,451	339,586,677

3. Major projects under construction

Applicable Not applicable

Other descriptions:

Applicable Not applicable

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

During the Reporting Period, the accumulated number of newly signed engineering contracting projects was 6,076, and the total amount was RMB1,017.514 billion.

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

As at the end of the Reporting Period, the total amount of orders in hand amounted to RMB2,731.359 billion. In particular, the value of the projects that have been signed yet to be commenced amounted to RMB1,125.658 billion, and the amount of the outstanding portion of the projects under construction was RMB1,605.701 billion.

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Other explanations

Applicable Not applicable

6. Other Explanations

Applicable Not applicable

7. Engineering construction qualifications of the Company

As of the end of the Reporting Period, the Company possessed a total of 51 special qualifications for construction general contracting, 4 comprehensive Class A qualification enterprises for engineering design, 3 comprehensive Class A qualification enterprises for engineering survey, and 9 comprehensive qualification enterprises for engineering supervision, with the number and quality of high-grade qualifications ranking at the top among the national construction enterprises.

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

In 2025, adhering to the spirit of General Secretary Xi Jinping's important instructions and directives on work safety as the fundamental guideline, the Company upheld the principle of "Putting People First and Life First", coordinated development and safety, fully implemented the decisions and arrangements of the Party Central Committee and the State Council on coordinating development and safety, and continuously focused on mechanism construction, system improvement, responsibility fulfillment, and risk prevention and control. The overall work safety situation throughout the year remained stable, with no major or above production safety accidents occurring.

First, elevated political standing and consolidated the ideological foundation for safety. The Company persisted in studying the spirit of General Secretary Xi Jinping's important instructions and directives on work safety, disaster prevention, reduction and relief through the "First Topic" mechanism on 8 occasions, and continued to make great efforts in in-depth learning and thorough understanding, integration and mastery, and earnest practice; organized 4 plenary meetings of the Work Safety Committee and 5 special deployment meetings on work safety, promptly conveyed the latest policy requirements such as the national work safety video conference, and effectively unified the thinking and actions with the decisions and arrangements of the Party Central Committee.

Second, optimized top-level design and consolidated work safety responsibilities. Focusing on revising and issuing a series of core system documents including the "Measures for Work Safety Management", "Work Safety Responsibility List", "Detailed Rules for the Investigation, Accountability, Rewards and Punishments of Work Safety and Environmental Protection Accidents", and "Measures for the Management of Experts in the Safety Sequence", the Company established a full-chain work safety system covering "standardizing the source, evaluating the process, result-oriented, and emphasizing both rewards and punishments"; upgraded the "Leadership On-Site Supervision" mini-program to realize an online closed-loop process of inspection, rectification and review, greatly improving the pertinence and effectiveness of on-site supervision. Throughout the year, leaders at all levels carried out 85,275 on-site supervision inspections, and project managers recorded more than 320,000 on-site supervision records, giving full play to the "leading goose" role; further strengthened the performance of 7 core safety indicators by 5 key positions including project manager, chief project engineer, construction manager, commercial manager and safety director.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Third, consolidated the grassroots foundation and improved the level of safety management.

Taking the three-year campaign for tackling the root causes of work safety as an important starting point, the Company completed all key tasks of the “Year of Strengthening Foundations” with guaranteed quality and quantity; strengthened the construction of the work safety supervision team through multi-dimensional measures such as targeted introduction, systematic training, and assessment incentives, with the proportion of certified safety engineers reaching 20.6%, exceeding the established target; fully completed the construction of a risk database covering 10 key modules including sintering, blast furnace, steelmaking and maintenance, with 78,000 risks entered into the database; adhering to the principle of “multi-system investigation and system-specific governance”, deepened the model of “regional responsibility guarantee + challenging tasks assignment + key supervision”, and actively organized a series of campaigns such as the “Thunder Action” for work safety, “Three Special Rectifications”, and special governance on “preventing falls from heights”. Throughout the year, a total of 674 key ongoing projects were supervised, and 9,253 potential safety hazards were eliminated; organized the “Dual Improvement” activity of mutual assistance in work safety, and gradually promoted the formation of a sound ecology of mutual assistance and win-win results; 34 projects were awarded the title of national-level standardized work site, and 507 projects were awarded provincial and municipal-level standardized work sites, with the level of work safety standardization continuously improved.

9. Financing arrangements of the Company

As at the end of the Reporting Period, the balance of corporate debt and other equity instrument financing was RMB138.478 billion, a decrease of 9.42% compared to the beginning of the period, which better met the capital needs of enterprise development and industrial restructuring. Of this, the balance of debt financing was RMB80.378 billion, the balance of other equity instrument financing was RMB58.100 billion, and the financing structure was further optimised; the balance of financing due within one year was RMB35.282 billion, and the balance of long-term financing was RMB103.196 billion.

(V) Analysis on investment

1. Overall analysis on external equity investments

As at 31 December 2025 and 31 December 2024, the net assets of the Company’s trading financial assets were RMB2,030 thousand and RMB2,770 thousand, respectively, representing a decrease of 26.73% from the beginning of the year. As at 31 December 2025 and 31 December 2024, the net long-term equity investments of the Company were RMB40,731,505 thousand and RMB38,078,760 thousand, respectively, representing an increase of 6.97% compared to the beginning of the year. As at 31 December 2025 and 31 December 2024, the net investment in other equity instruments of the Company amounted to RMB1,789,413 thousand and RMB1,698,287 thousand, respectively, representing an increase of 5.37% as compared to the beginning of the year. As at 31 December 2025 and 31 December 2024, the Company’s other net investment in non-current financial assets amounted to RMB4,373,896 thousand and RMB4,875,569 thousand, respectively, representing a decrease of 10.29% as compared with the beginning of the year.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

2. Substantial equity investments

Applicable Not applicable

3. Substantial non-equity investments

Applicable Not applicable

4. Financial assets measured at fair value

Stock investments

Unit: RMB'000

Stock variety	Stock code	Stock abbreviation	Initial investment amount	Opening book value	Gains or losses on changes in fair value for the period	Accumulated fair value changes included in equity	Amount added in the current period	Amount disposed in the current period	Closing book value	Accounting category
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	361	241	8	-	-	123	126	Financial assets held for trading
Shares	600787	CMST Development Corp (中鐵股份)	499	734	-23	-	-	711	0	Financial assets held for trading
Shares	000539	GED (粵電力A)	24	29	0	-	-	29	0	Financial assets held for trading
Shares	600515	Hainan Airport (海南機場)	264	325	119	-	-	-	444	Financial assets held for trading
Shares	600221	Hainan Airlines Holding (海航控股)	206	180	20	-	-	-	200	Financial assets held for trading
Shares	000709	Hesteel (河鋼股份)	4,600	4,192	-	190	-	-	4,382	Investments in other equity instruments
Shares	601328	Bank of Communications (交通銀行)	89,134	323,251	-	-21,633	-	-	301,618	Investments in other equity instruments
Shares	000939	Kaidi Ecological (凱迪生態)	2,502	-	-	-	-	-	-	Investments in other equity instruments
Shares	000005	Fountain (世紀星源)	420	78	-	-3	-	-	75	Investments in other equity instruments
Shares	600665	Tande (天地源)	1,122	496	-	24	-	-	520	Investments in other equity instruments
Shares	601005	Chongqing Iron and Steel (重慶鋼鐵)	170,080	69,529	-	965	-	-	70,494	Investments in other equity instruments
Shares	000737	North Copper (北方銅業)	38,798	52,176	-	50,772	-	102,948	0	Investments in other equity instruments

Explanation of stock investments

Applicable Not applicable

Private fund investments

Applicable Not applicable

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Derivative investments

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

On 29 April 2025, the 72nd meeting of the third session of the Board reviewed and passed the “Proposal on the 2025 Foreign Exchange Hedging Business Plan of Metallurgical Corporation of China”, agreeing that Metallurgical Corporation of China and its subsidiaries may carry out new foreign exchange hedging business in 2025 with a quota of no more than USD4,109 million (including the equivalent amount in foreign currency), which is valid for 12 months from the date of consideration and approval by the board of directors (for details, please refer to the relevant announcement disclosed by the Company on 29 April 2025). The Company’s foreign exchange hedging business in 2025 is not subject to hedge accounting. For details of risk management, please refer to the table below:

Accounting policies and specific principles of accounting for hedging operations during the Reporting Period, as well as an explanation of whether there have been any significant changes compared with the previous Reporting Period	No significant changes have occurred.
Explanation of actual gain or loss during the Reporting Period	The impact arising from exchange rate fluctuations on the Company’s consolidated statement caliber represents a net gain.
Explanation of hedging effect	The Company’s foreign exchange derivatives business is in line with the needs of the daily operations of the Company, which enables the Company to effectively avoid exchange rate risks and reduce the possible adverse impact of exchange rate fluctuations on the Company.
Sources of funds for derivative investments	Contractual receipts and payments of foreign exchange and foreign currency funds on hand arising from normal production and operation.
Risk analysis and description of control measures for derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, and others)	<p>(I) Transaction Risk Analysis</p> <ol style="list-style-type: none"> 1. Market risk: due to the unpredictability of changes at home and abroad in the economic environment, there is a possibility of loss in the valuation of the foreign exchange hedging business during the survival period, and the trading profit and loss at the time of maturity or selective delivery. 2. Liquidity risk: unreasonable arrangement of the foreign exchange hedging business triggers the liquidity risk of the Company’s funds at the time of maturity and delivery. 3. Compliance risk: the choice from the counterparty is unreasonable, and the counterparty is unable to pay corresponding amount as agreed upon at the time of the maturity and delivery of foreign exchange hedging business. 4. Internal control risk: foreign exchange hedging business is relatively professional and sophisticated, which may result in loss in the process of foreign exchange funds due to operational errors, systems and other reasons. 5. Compliance risk: subject to regulatory penalties, economic losses and negative impact on the Company’s reputation for its failure to comply with policies, regulations and company systems.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(II) Risk Control Measures

1. For market risk, the Company intends to take the following measures: First, the foreign exchange hedging business to be undertaken by the Company are all foreign exchange forwards, simple exchange rate options, interest rate swaps and currency swaps products conducted for the purpose of hedging which are closely related to the actual business, and do not involve speculative arbitrage. Transaction gains and losses are also hedged against changes in the value of their corresponding risk assets; secondly, we strengthened research and analysis of exchange rates, paid attention to changes in the market environment both at home and abroad, and adjusted our operating strategies in a timely manner in conjunction with changes in the market; thirdly, following the signing of the foreign exchange contract, we followed up on the market in a timely manner for dynamic management, and set up a risk early warning line based on the transaction program. We regularly check the transaction situation with all counterparties, analyze and assess the possible risks and take prompt countermeasures.
2. For liquidity risk, the Company intends to take the following measures: First, the foreign exchange preservation business to be undertaken by the Company are based on the actual business, matching with the actual foreign exchange income and expenditure, and at the time of decision-making, the Company has reasonably planned the capital plan to ensure sufficient funds to be held at the time of delivery; secondly, the Company will select the difference in delivery at the appropriate time based on the type of products and market trends, so as to successfully satisfy the demand for funds for delivery; thirdly, the Company will reinforce its efforts in collection of the project, so as to ensure the return of the funds.
3. For the performance risk, the Company intends to take the following measures: first, the counterparties of the foreign exchange preservation business to be undertaken by the Company are all financial institutions with good credit, solid capital and with whom the Company has established long-term business relations, so that the performance risk is low; second, the Company will closely follow up on the operation of the counterparties in the process of holding positions, and will take countermeasures promptly in the event of any significant risk events.
4. For the internal control risk, the Company intends to take the following measures: firstly, the Company will carry out the business in strict accordance with the annual plan of foreign exchange 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: first, the Company concludes contracts with counterparties in compliance with the Civil Code of the People's Republic of China and relevant laws and regulations; second, the legal compliance department shall conduct compliance audits of foreign exchange contracts; and third, third-party legal advisers or experts shall be consulted for the conclusion of major foreign exchange contracts.

Changes in the market price or product fair value of invested derivatives during the Reporting Period, the analysis of the fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters

The Company conducted foreign exchange forward and currency swap business with caution for the purpose of hedging, and the market price fluctuated according to the exchange rate of Renminbi against the U.S. dollar during the Reporting Period.

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Involvement in litigation (if applicable) Not applicable

Date of disclosure of the announcement of the Board for approval of derivative investment (if applicable) 29 April 2025

Date of disclosure of the announcement of the shareholders' meeting for approval of derivative investment (if any) Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

(VI) Disposal of material assets and equity

In active response to the relevant requirements on promoting central enterprises to focus on their main responsibilities and core businesses, advancing professional integration and optimizing resource allocation, so as to optimize the Company's business structure, focus on core businesses, and enhance core competitiveness and sustainable profitability, upon approval by the 80th Meeting of the Third session of the Board held on 8 December 2025 and the 2025 first extraordinary shareholder's meeting held on 29 December 2025, the Company sold 100% equity and related creditor's rights of MCC Real Estate, 100% equity of Non-ferrous Engineering, MCC Tongsin Resources, MCC Ramu, MCC Duddar, and 67.02% equity of MCC-JJJ Mining to China Minmetals and its designated entities (see the relevant announcements disclosed by the Company on 8 December 2025 and 29 December 2025). After the completion of this transaction, the Company's positioning as a core platform under China Minmetals focusing on engineering contracting and the cultivation of emerging characteristic industries will be clearer and more prominent. By stripping non-core business assets, the Company drove the re-collection and efficient allocation of human, financial, management and other resources, realizing more prominent core businesses, clearer structure, more efficient management, and further improvement in overall operational stability and risk resistance capacity.

The funds obtained by the Company from this transaction will be mainly used to support the Company's diversified business system of "One Core, Two Main Bodies and Five Features" towards the 15th Five-Year Plan, strengthen the core business of metallurgical construction, consolidate the two main businesses of industrial construction and infrastructure development, and cultivate the five features businesses of engineering services, new materials, high-end equipment, energy and environmental protection, and digital intelligence applications. The Company shall allocate funds according to the actual progress and capital needs of each project and increase capital to relevant subsidiaries to provide them with funds required for the following purposes: (1) Strengthen its core metallurgical construction business. The funds will be mainly used to build advanced research platforms, upgrade equipment manufacturing capabilities and improve the overall scientific research system, aiming to consolidate the Company's leading position in the core metallurgical construction business field; (2) Promote new industrialization and new urbanization, and use the proceeds for R&D of advanced construction technologies, equipment upgrading, and implementation of projects responding to the national strategies of building a strong manufacturing country and promoting high-quality urban development; (3) Develop its engineering services, new materials, high-end equipment, energy and environmental protection, and digital intelligence application businesses. At the same time, part of the funds will be used to supplement the Company's cash flow, repay debts, etc., so as to optimize the financial statement structure and further reduce financial leverage and debt burden.

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(VII) Analysis on holding company and joint stock company

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

Unit: RMB'000

No.	Name of company	Type of company	Nature of business	Place of establishment/ incorporation	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
1	China MCC 5 Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	Chengdu	5,384,134	93,543,463	18,726,607	64,303,526	2,127,479	1,774,803
2	China First Metallurgical Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	Wuhan	2,417,727	63,742,889	9,680,608	32,412,612	982,891	943,619
3	China MCC 22 Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	Tangshan	3,393,281	46,898,337	8,036,154	33,684,078	946,903	793,783
4	Shanghai Baoye Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	Shanghai	5,777,850	88,040,415	15,128,522	50,711,939	881,362	761,603
5	China Metallurgical Construction Engineering Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	Chongqing	2,449,054	39,675,435	8,409,969	24,330,426	803,337	715,009
6	China MCC 17 Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	Maanshan	2,050,000	77,027,996	11,098,057	28,510,616	836,790	691,259
7	WISDRI Engineering & Research Incorporation Limited	Subsidiary	Design, scientific research, EPC, etc.	Wuhan	3,350,000	28,298,133	10,594,902	23,919,489	723,276	616,531
8	MCC Capital Engineering & Research Incorporation Limited	Subsidiary	Design, scientific research, EPC, etc.	Beijing	3,283,104	27,469,172	5,866,387	14,902,015	635,126	534,968
9	CISDI Group Co., Ltd.	Subsidiary	Design, scientific research, EPC, etc.	Chongqing	2,300,000	21,847,130	6,552,790	16,079,730	667,863	457,393
10	China MCC 19 Group Corp. Ltd.	Subsidiary	Engineering contracting, etc.	Panzhuhua	3,910,999	38,103,301	6,963,482	16,563,962	642,903	451,611
11	MCC Ecological Environmental Protection Group Co., Ltd.	Subsidiary	Water resource management, etc.	Beijing	3,000,000	7,628,314	4,389,929	1,529,332	491,319	389,430
12	MCC TianGong Group Corporation Limited	Subsidiary	Engineering contracting, etc.	Tianjin	2,050,000	41,035,068	5,384,776	23,007,308	338,013	275,789
13	China Huaye Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	Beijing	1,821,652	18,140,945	3,720,207	11,410,573	456,742	263,381
14	MCC Communication Construction Group Co., Ltd.	Subsidiary	Engineering contracting, etc.	Beijing	9,312,258	37,456,085	9,145,042	9,080,719	262,545	258,217

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2. Acquisition and Disposal of Subsidiaries During the Reporting Period

Company Name	Method of Acquisition and Disposal of Subsidiaries During the Reporting Period	Impact on Overall Production, Operation and Performance
Xinyu MCC Environmental Protection Resources Development Co., Ltd.	Transfer by agreement	For details, please refer to Note VIII 2. Disposal of Subsidiaries in Section IX "FINANCIAL STATEMENTS" of this report.
Fangchenggang Xinsheng Steel Structure Co., Ltd.	Transfer by agreement	
MCC Tongsin Resources Limited	Transfer by agreement	
MCC Real Estate Group Co., Ltd.	Transfer by agreement	
China Non-ferrous Engineering Co., Ltd.	Transfer by agreement	
MCC-JJJ Mining Development Company Limited	Transfer by agreement	
Ramu NiCo Management (MCC) Ltd.	Transfer by agreement	

(VIII) Structured entities controlled by the Company

For details, please refer to Note VIII 3 in Section IX "FINANCIAL STATEMENTS" of this report.

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

(I) Landscape and trend of the industry

In the metallurgical construction sector, although the steel engineering market has entered an era of stock capacity overall, the two main themes of "going global" and "transforming development models" still hold significant opportunities, with both regional and industry-specific structural opportunities coexisting. There is incremental potential in regions such as Southeast Asia and India, while the green and intelligent transformation of the steel industry also presents structural market opportunities. According to relevant industry reports, it is projected that by 2035, markets in developing countries will generate an incremental steel demand of approximately 250 million tons. Among these, implemented and planned capacity expansions in Southeast Asia and India amount to nearly 90 million tons, indicating continued regional opportunities for overseas metallurgical engineering construction. Furthermore, the green, low-carbon, and intelligent transformation of the steel industry brings structural opportunities.

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In the industrial construction and infrastructure sectors, the construction industry is characterized by pronounced trends of “peaking,” “involution,” and “differentiation,” with the overall market still in a cyclical bottoming-out phase. Simultaneously, guided by the spirit of the Central Urban Work Conference, the fields of industrial construction and urban renewal are poised to embrace significant development opportunities. On one hand, since the inclusion of “promoting new-type industrialization” in the 20th CPC National Congress Report for the first time, industrial construction development has gained solid policy support and is entering a period of assured growth. According to forecasts by relevant institutions, sectors such as standard factory buildings, high-tech clean workshops, new energy vehicle plants, and facilities for public livelihoods and logistics warehousing are expected to experience rapid growth. On the other hand, with the implementation of strategic deployments from the Central Urban Work Conference, policy catalysts like “good housing,” urban renewal, urban clusters, smart cities, and green industries are accelerating, driving the construction industry’s transformation from traditional extensive models towards high-quality development.

In the featured business sector, the national 15th Five-Year Plan identifies fostering and expanding emerging industries, developing emerging pillar industries and making forward-looking arrangements for future industries as the core tasks for building a modern industrial system. This policy orientation has driven strategic emerging industries to become a new arena for regional competition and industrial layout, with accelerated development in sectors such as smart construction, next-generation information technology, energy conservation and environmental protection, new energy, new materials and high-end equipment manufacturing. The Company’s “One Core, Two Main Bodies and Five Features” business system is highly aligned with strategic emerging industries. Among them, next-generation information technology, new materials, new energy, high-end equipment manufacturing, energy conservation and environmental protection and other areas are closely corresponding to the Company’s existing featured businesses, with clear policy leverage points and market expansion potential. These areas are the key support for the Company to consolidate the leading position of its core business, exploit its industrial advantages and expand its business scale, and also serve as the core focus areas for the upgrading of the Company’s business structure during the 15th Five-Year Plan period.

(II) Implementation Plan for the Company’s 2026 Development Strategy

The year 2026 marks the beginning of the 15th Five-Year Plan. The Company will anchor onto the Goals for “one building, two most, five strong (一創兩最五強),” promoting high-quality development through the “13410” strategic system. This involves adhering to “Party building guidance” as the fundamental principle, utilizing the “Three Standardizations Construction (三化建設)” as the overall lever, following the “Four Adherences” as the implementation path, and relying on the “Ten Major Projects” as the core support. The Company will resolutely abandon the extensive development model of scale expansion, strengthen operation with meticulous accounting and refined management, and comprehensively enhance operational efficiency and value creation capabilities. Scientific research and design enterprises will focus on strengthening technological innovation leadership, exploring pathways for industrializing technological achievements, enhancing core functions, and acting as the “source” of original technologies and the “exporter” of engineering standards. Construction enterprises will focus on enhancing lean contract capabilities and full lifecycle comprehensive service capabilities, improving the integrated whole-industry-chain integration capability, strengthening core competitiveness, and acting as the “leader” in metallurgical construction and the “vanguard” in Construction of New-type Infrastructure and New-type Urbanization (兩新建設).

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Actively implement the “Five-Five” strategy to promote business structure optimization. To accelerate the Company’s high-quality development, achieve re-transformation and re-upgrading, proactively adapt to changing market conditions, and fully leverage its own strengths, the Company will, in accordance with the overarching principle of “focusing the core business, positioning industries appropriately, and consolidating resources,” categorize and comprehensively review each product portfolio. Following the fundamental path of “optimizing the core, strengthening the main body, and expanding distinctive features,” the Company will systematically plan and methodically advance the implementation of the “Five-Five” strategy.

Strengthen the core business to consolidate the “foundation” of traditional advantages. Always maintaining a high standard at the international level and a leading position within the entire metallurgical industry, and premised on respecting economic and industry development laws, the Company will fully leverage its core technological advantages, innovation-driven advantages, and resource allocation and integration capabilities. The focus will be on intelligence, green development, low-carbon initiatives, and high efficiency, accelerating its technological innovation and iterative upgrades.

Optimize the main business to reinforce the “ballast stone” of scale and efficiency. Proactively adjusting strategies and relying on the advantages of the whole industry chain, the Company will adjust its business structure and areas of operation, steadily focusing on high-end sectors. Under the premise of stabilizing and controlling the business scale, the Company will enhance project quality.

Expand the featured businesses to open up a new track for transformation and upgrading. The Company will formulate special incentive policies to encourage various business units to focus on the five featured business segments based on their core advantageous areas and extend the industrial chain of featured technological advantages to various fields in the direction of intellectualization, greening, and integration.

Upgrade international business to forge a growth pole for overseas development. The Company will strengthen the construction of the overseas business system to consolidate the foundation for international development; focus on core entities to seize the high ground in the overseas incremental market; focus on project contract performance, strengthen talent training and forge new advantages in international competition.

(III) Operational Plan

In 2025, the Company achieved new contract value of RMB1,112.922 billion, and achieved operating revenue of RMB455.380 billion.

In 2026, the Company plans to achieve operating revenue of over RMB400 billion and aims to secure new contract value of over RMB1,000 billion. The Company will remain fully focused on strengthening and optimizing its primary responsibilities and core business, concentrating resources and efforts on its core business, metallurgical construction, to serve the key areas of national major strategies and the vital pillars of high-quality development, the “New Infrastructure and New Urbanisation Initiatives” construction of new industrialization and new urbanization, vigorously cultivate featured and competitive businesses, with a precise focus on the “Five Features” of engineering services, new materials, high-end equipment, energy and environmental protection, and digital intelligence application, and systematically deploy strategic emerging industries and future industries to build high-quality core competitiveness and drive the Company toward continuously achieving higher-quality development.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Possible risks and response measures taken by the Company

1. *Risks associated with macro-economy*

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

The Company will continuously adhere to the general principle of pursuing progress while ensuring stability, anchor onto the Goals for “one building, two most, five strong (一創兩最五強),” closely focus on the “One Core, Two Main Bodies and Five Features (一核心兩主體五特色)” business system, closely track and deeply analyze macroeconomic policies and industry development trends, prudently assess and actively respond to internal and external risks, using the certainty of high-quality development to counter the uncertainty of changes in the external environment.

2. *Risks associated with market competitiveness*

The construction industry has entered a period of adjustment, shifting from a supply model based on homogeneous scale to one centered on differentiated capabilities, and industry competition has evolved from “opportunity-driven competition” to “capability-driven competition,” placing higher demands on construction companies to enhance their core competitiveness. In response to the new landscape of industry transformation and upgrading, the Company will prioritize specialized, refined, digital, and green development, continue to optimize the “One Core, Two Main Bodies and Five Features (一核心兩主體五特色)” business system, enhance the capabilities for differentiated development and comprehensive services, and build sustainable core competitiveness.

3. *Risks associated with international operations*

The Company operates its business across multiple countries and regions and is subject to the influence of various factors, including political, economic, social, legal, and religious conditions in such jurisdictions, facing higher risks such as intensifying geopolitical conflicts, increasingly stringent compliance regulations, deteriorating security situations, and negative public sentiments. These factors may lead to increased difficulty in signing overseas projects, compressed profit margins, delays and disruptions in ongoing projects, cost overruns, difficulties in fund recovery, and consequently, adversely affect the Company’s overseas business revenue and profits.

To address these risks, the Company will, on one hand, strengthen the top-level design of its overseas business by adopting measures such as improving the overseas business management system, building a support system for overseas personnel, and promoting the deepened localization of overseas institutions. On the other hand, it will enhance overseas business risk management by formulating specific response guidelines for external risks such as the safety of overseas personnel, overseas compliance management, and overseas public opinion. Priority will be given to securing projects with favorable contractual terms, strengthening dynamic supervision of projects under construction, while also summarizing experiences and lessons learned from international operations to strive to reduce the risk exposure of its international operations.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

4. *Environmental and safety production risks*

As a construction and production-oriented enterprise, the Company owns subsidiaries and projects widely distributed, making ecological and environmental protection management highly challenging. As a construction and production-oriented enterprise, unsafe behaviors by personnel, equipment hazards, environmental risk factors, and management vulnerabilities may lead to safety incidents, resulting in casualties, economic losses, and damage to the Company's reputation.

To address the above environmental and safety production risks, the Company conscientiously implements relevant national laws and regulations, rigorously fulfills its primary corporate responsibilities, continuously improves its energy conservation and environmental protection system, strengthens day-to-day supervision, and proactively engages in environmental pollution prevention and control. At the same time, the Company continuously enhances safety awareness, persistently improves the safety management system, reinforces the responsibility of leadership for on-duty inspections, deepens hazard identification and rectification, strengthens safety control over subcontracting teams, strictly enforces accountability for accidents, and resolutely curtails the occurrence of major and above-level safety incidents.

5. *Data fraud or theft risks*

To safeguard state secrets, protect trade secrets, and uphold national and corporate security, the Company has established a comprehensive confidentiality management system and policy framework. The Company regularly strengthens employees' confidentiality awareness through various forms of education and publicity, and conducts annual spot checks to evaluate the confidentiality work of its subsidiaries. Through methods such as interviews, system reviews, document inspections, and on-site examinations, the Company comprehensively assesses the operation of its confidentiality management system and supervises corrective actions. The Company is equipped with domestically produced secure computers, with protection systems updated in real time, and assigns dedicated personnel for management, strictly adhering to the principle of "Classified information shall not be put online, and online information shall not involve classified content," resolutely preventing the transmission, storage, or processing of classified information on the internet.

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

6. *Cyber risk and security*

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

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

VII. EXPLANATION OF THE COMPANY'S FAILURE TO MAKE DISCLOSURE IN ACCORDANCE WITH THE STANDARDS DUE TO INAPPLICABILITY OF STANDARDS OR SPECIAL REASONS AND THE REASONS THEREOF

Applicable Not applicable

VIII. OTHER DISCLOSURES AS REQUIRED BY THE HONG KONG STOCK EXCHANGE

(I) Major Customers and Suppliers

For details of the major customers and suppliers of the Company, please refer to "Information of major sales customers and major suppliers" on page 41 of this report.

Save as disclosed in this annual report, none of the Directors, their respective associates or any Shareholders (interested in 5% or more of the share capital to the best knowledge of the Board) have any interest in any of the five largest suppliers or the Company's five largest customers.

(II) Employees

For details of the Company's employees, please refer to "Employees of the Parent Company and Principal Subsidiaries at the End of the Reporting Period" on page 98 of this report.

(III) Reserves and Distributable Reserves

During the Reporting Period, details of the movements in the Company's reserves are set out in the consolidated statement of changes in shareholders' equity on pages 178-179 and Note VII. 48 to the consolidated financial statements on page 288 of this report.

Pursuant to the relevant provisions of the Company Law of the People's Republic of China, retained earnings may be distributed as dividends after deducting statutory surplus reserves. As at 31 December 2025, for details of the Company's retained earnings, please refer to Note VII. 50 in Section IX "FINANCIAL STATEMENTS".

(IV) Donations

During the Reporting Period, the Company's external donation amounted to a total of approximately RMB4.1994 million. In addition, the Company allocated RMB17.905 million in gratuitous aid to designated support targets and carried out consumption assistance totaling RMB14.506 million.

For details of public welfare donations and poverty alleviation donations, please refer to "XXIV (II). Social Responsibility Work" and "XXV. Specific Work to Consolidate and Expand the Achievements in Poverty Alleviation and to Promote Rural Revitalization" on pages 114-115 of this report.

(V) Dividends

For details of the cash dividend distribution proposal of the Company during the Reporting Period, please refer to the section "Proposal for Profit Distribution or Transfer of Capital Reserve to Share Capital" on pages 99-102 of this report.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(VI) Properties Held for Development or Sale

Locations	Current land use	Site area (sq. m.)	Floor area (sq. m.)	Status of project	Progress towards completion	Estimated completion date	Percentage of the interest attributable to the Company in the development projects
Jiangbei District, Chongqing	Commercial and residential	258,391	132,783.97	Completed	100.00%	–	100.00%

(VII) Risk Factors

For risk factors faced by the Company, please refer to “(IV) Possible risks and response measures taken by the Company” on pages 61-62 of this report.

(VIII) The Company’s Environmental Policy and Performance

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company thoroughly implements the spirit of the 20th National Congress of the Communist Party of China, fully studies and applies Xi Jinping’s Thought on Ecological Civilization, and strictly adheres to national and ministerial laws, regulations, standards, norms, and policies concerning energy conservation and environmental protection. Based on the fulfillment of primary responsibilities for ecological and environmental protection, and guided by the requirements of the Three-Year Action Plan for Enhancing Basic Management and the Special Action for Solid Waste Management, the Company focuses on key projects, industries, regions, and links. Centering on the core philosophy of “coordinated planning to define directions, closed-loop rectification and management to uphold bottom lines, and dual-carbon leadership to set benchmarks”, the Company comprehensively advances key tasks such as improving the ecological and environmental management system, investigating and rectifying pollution hazards, and practicing green development across the entire industrial chain. It steadily promotes the quality and efficiency improvement of environmental protection management, laying a solid foundation for the Company’s green and sustainable development.

Firstly, strengthened coordinated planning and define directions with targeted measures. Focusing on core directions such as improving the ecological and environmental management system, consolidating the supervision of energy conservation and environmental protection expenses, tackling energy conservation and carbon reduction, and strengthening the management of fixed pollution sources, the Company systematically formulated the “Notice on Key Ecological and Environmental Protection Work of China Metallurgical Corporation in 2025 《中國中冶2025年生態環保工作要點》”. It clarified 20 specific work measures in 8 aspects, defining the “roadmap” and “task list” for the annual environmental protection work. Meanwhile, the Company actively promoted each subsidiary to formulate supporting work plans in light of actual conditions, establishing a responsibility transmission mechanism of “Company coordination, subsidiaries taking primary responsibility, and layered implementation (公司統籌、子企主責、層層落實)”. It effectively decomposed environmental protection responsibilities to posts and individuals, proactively preventing and resolving major environmental risks, and laying a solid foundation for the Company’s green and sustainable development.

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

Secondly, deepened rectification to eliminate hazards and uphold bottom lines through closed-loop management. To implement the special rectification requirements of 8 national ministries and commissions and the State-owned Assets Supervision and Administration Commission of the State Council, the Company formulated a special plan and clarified three categories of inspection lists covering ecological and environmental management, pollution prevention and control, and risk prevention and control. It organized the entire system to carry out hierarchical and classified special rectification of illegal dumping and disposal of solid waste and special inspection and rectification of environmental protection improvement, coordinating and promoting comprehensive self-inspections of 3,085 projects and 97 production enterprises, and promoting targeted spot checks of 472 projects by two-level subsidiaries. For the 354 problems identified in the inspections, the Company established an accounting book to track the rectification progress, ensuring closed-loop management of all environmental protection hazards and effectively building an environmental protection barrier for the Company's green development.

Thirdly, anchored the dual-carbon strategy and set industry benchmarks through whole-industry-chain green practices. The Company actively promoted the promotion of green practice achievements, leading 5 subsidiaries to participate in the 15th Shanxi Energy Conservation, Environmental Protection, and Dual-Carbon Industry Expo. It designed a display system of "One Core, Two Main Bodies and Five Features (一核心兩主體五特色)" to focus on presenting technological achievements such as low-carbon metallurgy and green construction. Focusing on the Xiong'an International Trade Center project, Rongxi Mixing Station, and the North Courtyard of the Palace Museum project, the Company held two national green construction observation meetings in Beijing and Xiong'an in conjunction with the China Construction Enterprise Association and China Construction Association, comprehensively demonstrating its whole-industry-chain green construction capabilities. In 2025, the Company obtained a total of 104 evaluations for green design and green construction levels from the China Construction Association and China Construction Enterprise Association, an increase of 16 projects or 18%.

(IX) Legal Liabilities Which Have Significant Impact on the Company

During the Reporting Period, the Company was not under investigation by judicial authorities or subject to administrative penalties by relevant government authorities due to violation of laws, regulations and policies which have significant impact on the businesses of the Company. For details of the quality control system, compliance with laws and regulations in relation to production safety and operation of the production safety system of the Company, please refer to "7. The Operation of the Quality Control System and Production Safety System of the Company" on pages 51 of this report.

(X) List of Directors

For the list of Directors during the Reporting Period and as at the date of this report, please refer to the section "VII. Particulars of Directors, Supervisors and Senior Management" on pages 74 of this report.

(XI) Liability Insurance Purchased for Directors and Senior Management

In 2025, the Company renewed the liability insurance of Directors and senior management with Huatai Property Insurance Co., Ltd. and People's Insurance Company of China Limited for Directors, senior management, and management personnel with management and supervising responsibilities, thus guaranteeing the full performance of their duties. Permitted indemnity provisions based on Directors' interests are effective in accordance with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

REPORT OF BOARD OF DIRECTORS, MANAGEMENT DISCUSSION AND ANALYSIS

(XII) Equity-linked Agreements

During the Reporting Period, no equity-linked agreement was entered into by the Company.

(XIII) Information of Tax Deduction for Holders of Listed Securities

The shareholders of the Company are taxed and/or enjoy tax relief for the dividend income received from the Company in accordance with the Individual Income Tax Law of the People's Republic of China, the Enterprise Income Tax Law of the People's Republic of China, and relevant administrative rules, governmental regulations and normative documents. Please refer to the announcement published by the Company on the website of SSE on 15 July 2025 for the information on income tax in respect of the dividend distributed to the holders of A Shares and on the HKEX news website of Hong Kong Stock Exchange on 14 July 2025 for the information on income tax in respect of the dividend distributed to the holders of H Shares during the Reporting Period.

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

In order to effectively safeguard the interests of Shareholders, enhance investor confidence, and further stabilize and increase the Company's value, the Company convened the 81st meeting of the third session of the Board on 17 December 2025 and the 2026 first extraordinary general meeting on 16 January 2026, in which the Resolution on the Plan for Repurchasing A Shares of the Company (《關於回購公司A股股份方案的議案》) and the Resolution on Granting a Mandate to Repurchase H Shares of the Company (《關於授權回購公司H股股份的議案》) were considered and approved. (Further details are set out in the relevant announcements published by the Company on the website of Hong Kong Stock Exchange on 17 December 2025 and 16 January 2026, and on the website of the Shanghai Stock Exchange on 18 December 2025 and 17 January 2026 respectively). On 26 January 2026, the Company conducted its first repurchase of A shares and H shares respectively by way of centralized bidding. Save for the above repurchase and those disclosed in the section "CORPORATE BONDS" below, neither the Company nor its subsidiaries purchased, sold, or redeemed any of the Company's listed securities including the sale of treasury shares, as defined under the Hong Kong Listing Rules. As at the end of the Reporting Period, the Company did not hold any treasury shares.

(XV) Details of Material Acquisitions and Disposals of Subsidiaries, Associates, and Joint Ventures Carried Out during the Reporting Period Pursuant to the Listing Rules of the Hong Kong Stock Exchange

For details, please refer to the section "(II) Connected transactions in relation to acquisition of assets or acquisition or disposal of equity" on pages 125 of this report.

I. EXPLANATION ON CORPORATE GOVERNANCE

During the Reporting Period, adhering to the guidance of Xi Jinping's thought on socialism with Chinese characteristics for a new era, the Company resolutely implemented the "two consistent implementation", continuously promoted the unity of strengthening the Party's overall leadership and improving corporate governance, and continued to comply strictly with the laws and regulations including the Company Law, the Securities Law, and the relevant requirements of regulatory authorities, constantly optimized the establishment and operation of governance system of the Company and its subsidiaries. As an important part of the corporate governance structure, the Board, the Audit Committee, the Party Committee, and the management of the Company discharged their own duties under respective terms of reference, took full responsibility for their own responsibilities and communicate in a timely and effective manner, thus a regulatory mechanism for the co-ordination and efficient operation of all aspects of decision-making, management and supervision has been formed. During the Reporting Period, the corporate governance level of the Company has been further improved, laying a favorable foundation for promoting company development and improving shareholder value.

During the Reporting Period, the Board of the Company discharged its duties in strict compliance with the functions and powers and work requirements as authorized by the regulatory rules, and carried out its work pursuant to the Company Law, the regulatory rules of the place where the Company's Shares are listed, the Articles of Association, the Rules of Procedures for the Shareholders' Meeting and the Board of Directors and other relevant provisions. It earnestly performed the core responsibilities of the Board of "making strategy, making decisions and preventing risks", and continuously enhanced the effectiveness of the Company's corporate governance centering on six dimensions, namely the scientific construction of the system, rational and rigorous decision-making, efficient and coordinated operation, professional development of the team, all-round cultivation of professional competencies and cultural guidance for empowerment. Faced with the complex and volatile market environment, the Board captured development opportunities with a strategic vision, made scientific layout of business directions, vigorously promoted reform and innovation, firmly held the bottom line of risks, and effectively drove the Company to achieve high-quality development under the general principle of "making progress while maintaining stability".

As of the disclosure date of this report, the Company has five special committees, namely Strategy Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Sustainable Development Committee, and established a specialized meeting mechanism for independent Directors in accordance with regulatory requirements. The Board of the Company has attached importance to the role of special committees and independent Directors in professional review, operation supervision and assistance in decision-making, and proactively promoted the day-to-day work of the special committees and independent Directors. The special committees and independent Directors, in line with the duties and authorities, have carefully studied and submitted to the Board for consideration matters of key concerns of the regulatory bodies and small and medium-sized investors, such as the selection and appointment of accountants, nomination and remuneration of Directors and senior executives, the construction of the internal control system, and related transactions in compliance with the laws and regulations. The special committees and independent Directors have played a crucial role in the Company's decision-making on major matters and risk prevention, which effectively ensures that all work of the listed company is lawful, regulated and independent, and lays a good foundation for improving the professional and efficient deliberations and decision-making of the Board.

During the Reporting Period, the Company further improved its governance system and revised and issued more than ten corporate governance documents (including the Articles of Association, Rules of Procedure for Shareholders' Meetings, Rules of Procedure for Board Meetings, Work Rules for the Audit Committee, Work Rules for the Sustainable Development Committee, Work Rules for the Strategy Committee, Work Rules for the Sustainable Development Committee, and Work Rules for the Nomination Committee) in accordance with the new Company Law, the latest requirements for state-owned enterprise reforms and the latest securities regulatory requirements. At the same time, the Company abolished supervisory-board-related documents such as the Rules of Procedure for Supervisory Meetings and the Supervisory Board Working Rules according to relevant regulations. The Company's operations are currently being steadily advanced in accordance with the new systems and requirements.

CORPORATE GOVERNANCE REPORT, CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

During the Reporting Period, the Company deeply implemented the spirit of General Secretary Xi Jinping's important remarks on the reform and development of state-owned enterprises and Party building, actively implemented the relevant requirements of the State-owned Assets Supervision and Administration Commission of the State Council on the reform of state-owned enterprises, promoted the deepening and upgrading of reform with high quality, optimized the authorization system of the Board, stimulated endogenous motivation, improved decision-making mechanisms and processes, and enhanced the level and efficiency of business management. The Board of the Company attaches great importance to environmental, social and governance (ESG) work, implements the new development concept, and adheres to high-quality development. It continuously integrates ESG governance with operation and management, strengthens value creation, improves governance and lays the foundation for sustainable development. It adheres to promoting green development, actively fulfills environmental responsibilities, and continues to practice social responsibilities.

During the Reporting Period, the Company received an information disclosure grade A rating from the SSE for the ninth consecutive year and was awarded the "Golden Round Table Award • Special Contribution Award for Corporate Governance", New Fortune "Best Hong Kong Stock IR Award" and Yidong "2025 Listed Company Best ESG Practice Award"; and was successfully selected as the "2025 Best Practice Case for Sustainable Development of Listed Companies" and the "Best Practice of Annual Results Presentation of Listed Companies" announced by the China Association for Public Companies (CAPCO).

Whether the corporate governance has any discrepancies with the laws, administrative regulations and the relevant requirements of the CSRC on the governance of a listed company or not. If yes, reasons shall be explained

Applicable Not applicable

II. COMPLIANCE OF CORPORATE GOVERNANCE CODE BY THE COMPANY

During the Reporting Period, save as disclosed below, the Company has strictly complied with the requirements of the principles and code provisions set out in the Corporate Governance Code and its amendments, and has adopted the recommended best practices where applicable.

1. Pursuant to paragraph B.2.2 of the Corporate Governance Code, every director should be subject to retirement by rotation at least once every three years. The term of the third session of the Board of Directors of the Company has expired upon the completion of three years. According to the provisions of the Company's Articles of Association, the members of the third session of the Board of Directors shall continue to perform their duties prior to the establishment of the fourth session of the Board of Directors. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the latest measures and standards set out in the Corporate Governance Code.
2. Given that two independent non-executive Director of the Company had important official duties during the reporting period, they did not attend the 2024 annual general meeting convened On 30 June 2025, and the 2025 first extraordinary shareholders' meeting convened on 29 December 2025, which were required to be attended by executive Directors and other non-executive Directors. The Board of Directors considers that the Directors' absence was reasonable and non-recurring, and the absent independent non-executive Directors had reviewed the meeting documents in advance and thoroughly, fully understood the contents of all proposals. The Company's daily operations and management are fully handled by the executive directors and the management team. Therefore, such temporary absence does not have a material adverse impact on the corporate governance of the Company.

III. THE CORPORATE CULTURE OF THE COMPANY

The Company's history can be traced back to the earliest force in the construction of the iron and steel industry in New China, serving as a pioneer and mainstay of the Chinese iron and steel industry. Since its involvement in the construction of Angang Steel, the "cradle of China's iron and steel industry", in 1948, to the development of WISCO, Baotou Steel, Taigang, Pangang, Baosteel and others, it has undertaken the planning, survey, design, and construction of the main production facilities for nearly all large and medium-sized iron and steel enterprises domestically. It is the foundation of New China's "steel and iron bones". Thus, the Company has accumulated an excellent tradition characterized by bravery, courage, solidarity and struggles, and courage to rise to challenges, which has become the Company's great spiritual wealth.

Guided by the original mission of China Minmetals to serve the country and strengthen the mining industry, the Company is positioned as "a pacesetter in international metallurgical construction and a trailblazer in national construction for both new infrastructure and new urbanization" in the new era. The Company continuously optimizes the new business system "One Core, Two Main Bodies and Five Features" with "metallurgical construction as the "Core", industrial construction and infrastructure construction as the "Main Bodies", and engineering services, new materials, high-end equipment, energy conservation and environmental protection, and digital intelligence application as the "Features". The Company will take "world-class mission responsibility, leading role of independent innovation, problem-oriented work thinking, quality adherence to excellence, and the spirit of daring to win" as its action guide, value orientation, and corporate spirit. It will anchor the goals for "one building, two most, five strong", that is, guided by the goal of creating a world-class enterprise with global competitiveness, the Company endeavors to be the best overall solution provider for metallurgical construction and operation with super core competitiveness and the internationally renowned and domestically leading general contracting service provider for fundamental construction, so as to become a world-class investment and construction group with strong value creativity, strong market competitiveness, strong innovation driving force, strong resource allocation, and strong cultural soft power. It will focus on cultivating new tracks, building new advantages, and stimulating new momentum, continuously enhance core functions, enhance the core competitiveness of enterprises, continuously promote their transformation and upgrading, and strive to build a world-class investment and construction group.

IV. SPECIFIC MEASURES TAKEN BY CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCIAL, INSTITUTION AND BUSINESSES, ETC., AS WELL AS SOLUTIONS, WORK PROGRESS AND FOLLOW-UP PLANS OF AFFECTING THE INDEPENDENCE OF THE COMPANY

The Company is strictly separated from its Controlling Shareholder and de facto controllers in assets, personnel, finance, corporate and businesses, etc. There is no situation in which there is no guarantee of independence or the ability to operate independently.

In order to maintain the independence of the Company's production and operation, the Company's controlling shareholder and de facto controller have undertaken that, for as long as they have control or significant influence over the Company, they will continue to ensure the Company's independence in terms of assets, personnel, finance, institutions, and operations, and will bear all losses incurred by the Company as a result of any breach of the above undertaking.

The Controlling Shareholders, the de facto controllers and other entities under their control are engaged in the same or similar business as the Company, and the impact of horizontal competition or major changes in the horizontal competition on the Company, the measures taken, the progress of the resolution and the subsequent solution plan when horizontal competition or horizontal competition.

Applicable Not applicable

V. COMPOSITION OF THE BOARD

At the beginning of 2025, the members of the third session of the Board of the Company were Mr. Chen Jianguang, the Chairman and Executive Director; Mr. Bai Xiaohu, the Executive Director and Vice President; Mr. Zhou Jichang, the Independent Non-executive Director; Mr. Lang Jia, the Non-executive Director; Mr. Liu Li, the Independent Non-executive Director; Mr. Ng, Kar Ling Johnny, the Independent Non-executive Director; Ms. Zhou Guoping, the Independent Non-executive Director; and Mr. Yan Aizhong, the Employee Representative Director. On 12 March 2025, the Board of Directors of the Company received a written resignation report from Mr. Zhou Jichang, Independent Non-executive Director. Mr. Zhou Jichang resigned from his position as Independent Non-executive Director of the Company due to having served as an Independent Non-executive Director for six consecutive years. Following this change, the members of the third session of the Board of the Company have changed to: Mr. Chen Jianguang, the Chairman and Executive Director; Mr. Bai Xiaohu, the Executive Director and Vice President; Mr. Lang Jia, the Non-executive Director; Mr. Liu Li, the Independent Non-executive Director; Mr. Ng, Kar Ling Johnny, the Independent Non-executive Director; Ms. Zhou Guoping, the Independent Non-executive Director; and Mr. Yan Aizhong, the Employee Representative Director.

None of the Independent Non-executive Directors of the Board held any position of the Company other than the Directors of the Company. Among them, Mr. Ng, Kar Ling Johnny has expertise in the fields of finance and accounting, in compliance with the Hong Kong Listing Rules. Pursuant to the confirmation of independence from each of the Independent Non-executive Directors pursuant to Rule 3.13 of the Hong Kong Listing Rules, the Company is of the view that each of the Independent Non-executive Directors is independent. All the independent Non-executive Directors are able to give objective and independent opinions on decisions, thus ensuring the independence and fairness of the decisions made by the Board. All of the Directors have performed their duties with loyalty, integrity and diligence to serve the interests of the Company and all the Shareholders.

Save for their services to the Company, there is no financial, business or family relationship among the Directors and between them and the presidents, nor any other material relationship among them.

During the Reporting Period, the Company purchased liability insurance for all Directors.

Upon reviewing the professional experience and relevant self-inspection documents signed by the Company's Independent Non-executive Directors – Mr. Zhou Jichang, Mr. Liu Li, Mr. Ng, Kar Ling Johnny, and Ms. Zhou Guoping, it has been confirmed that the above-mentioned individuals do not hold any positions in the Company other than Independent Director, nor do they hold any positions in the Company's principal shareholders. There are no interests or other relationships between them and the Company or its principal shareholders that might interfere with their ability to make independent and objective judgments. Therefore, the four Independent Non-executive Directors of the Company meet the relevant requirements for independent directors as defined in the Administrative Measures for the Appointment of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the Guidelines No.1 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standardised Operations.

In terms of Board member diversity, there are six mainland Directors and one Hong Kong Director on the Board; in terms of professional background, the Board comprises senior experts in corporate management as well as professionals in finance, legal and human resources; in terms of personal career experience, the Board comprises corporate executives as well as experts and scholars who have worked in government, universities and accounting firms for many years. In terms of gender diversity, the Board of Directors comprises one female director and six male directors. The composition of the Board of Directors of MCC is scientifically structured and fully complies with the requirements of State-owned assets supervision and administration authorities and the securities regulatory requirements in both jurisdictions (mainland China and Hong Kong). A diverse Board brings diversified thinking to the enterprise, forming good complementarity and effectively promoting scientific decision-making by the Board.

CORPORATE GOVERNANCE REPORT, CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

During the Reporting Period, through study and training, all Directors practically enhanced their duty performance capability and updated the professional knowledge and skills required for the performance of their duties. The specific contents of training/study participated by Directors during the Reporting Period are as follows:

Name of Directors	Date of training	Contents of training/study
Chen Jianguang	April to December 2025	1st to 12th Special Training Sessions for Beijing Listed Companies in 2025
	July to August 2025	The Second Session of the Joint Study Training Course on Selected Works of Xi Jinping on the Economy (Volume I)
Bai Xiaohu	March to June 2025	Online Special Training Course on “Strengthening Compliance Management and Enhancing Corporate Risk Prevention and Control Capabilities” by China E-learning Academy for Education Leadership And Administration
	April to May 2025	Online Courses of the Column for Interpreting the Spirit of the 2025 National “Two Sessions” by China E-learning Academy for Education Leadership And Administration
	April to December 2025	1st to 12th Special Training Sessions for Beijing Listed Companies in 2025
	July to August 2025	The Second Session of the Joint Study Training Course on Selected Works of Xi Jinping on the Economy (Volume I)
Lang jia	April to December 2025	1st to 12th Special Training Sessions for Beijing Listed Companies in 2025
Liu li	April to December 2025	1st to 12th Special Training Sessions for Beijing Listed Companies in 2025
	December 2025	2025 Phase VI Follow-up Training for Independent Directors of Listed Companies
Ng, Kar Ling Johnny	April to December 2025	1st to 12th Special Training Sessions for Beijing Listed Companies in 2025
	December 2025	2025 Phase VI Follow-up Training for Independent Directors of Listed Companies
Zhou Guoping	April to December 2025	1st to 12th Special Training Sessions for Beijing Listed Companies in 2025
	December 2025	2025 Phase VI Follow-up Training for Independent Directors of Listed Companies
Yan Aizhong	March to June 2025	Online Special Training Course on “Strengthening Compliance Management and Enhancing Corporate Risk Prevention and Control Capabilities” by China E-learning Academy for Education Leadership And Administration
	April to May 2025	Online Courses of the Column for Interpreting the Spirit of the 2025 National “Two Sessions” by China E-learning Academy for Education Leadership And Administration
	April to December 2025	1st to 12th Special Training Sessions for Beijing Listed Companies in 2025
	July to August 2025	The Second Session of the Joint Study Training Course on Selected Works of Xi Jinping on the Economy (Volume I)

VI. DUTIES AND OPERATION OF THE BOARD

The Board is elected at, and accountable to, general meetings. In accordance with the requirements of the Articles of Association, the Board is mainly responsible for convening general meetings, and reporting the work to general meetings; implementing the resolutions of general meetings; formulating the Company's business plans and investment proposals; formulating the Company's profit distribution plans and loss recovery plans; formulating proposals for increasing or reducing the registered capital of the Company, issuing bonds or other securities, and listing; formulating proposals for material acquisition, purchase of the Company's shares, merger, division, dissolution or change of the corporate form of the Company; deciding matters such as major investment and finance, asset acquisition and disposal, asset mortgage, external guarantees, financial support, entrusted asset management, connected transactions and external donation of the Company within the authorization of general meetings; deciding the establishment of the Company's internal management structure; electing the chairman and vice chairman of the Company; appointing or dismissing the Company's president and the secretary to the Board based on the chairman's nomination; appointing or dismissing senior management personnel such as vice president and finance director of the Company based on the nomination of the president; organizing the assessment, determining the assessment plan, assessment results, salary distribution, and reward and punishment matters; developing the Company's basic management system; developing the amendments to the Articles of Association; managing information disclosure matters; proposing to general meeting to appoint or replace the accounting firms for auditing; listening to the work report of the Company's president and inspecting the president's work; developing the Company's equity incentive plan; deciding the establishment or dissolution of branches; determining the specific implementation plan for the merger, division, restructuring and other matters of the Company's subsidiaries; determining the salary, benefits, reward and punishment policies and plans for employees; determining the Company's risk management and internal control system, including risk assessment, financial control, internal audit and internal control evaluation, legal risk control, etc., and monitoring their implementation; deciding the establishment of special committees of the Board, appointing or dismissing the chairmen of each special committee of the Board; deciding the asset mortgage and pledge matters set by the Company for its own debts; deciding the provision of guarantees for the Company's loan; deciding the Company's annual off-budget expenses; determining the Company's legal compliance management system, and conducting overall monitoring and evaluation of the Company's legal compliance management system and its effective implementation; formulating important reform plans for the Company according to the laws, administrative regulations, departmental rules, or provisions of the Articles of Association, and other powers granted by general meetings. In addition, pursuant to the requirements of the Corporate Governance Code, the Board undertakes corporate governance functions such as formulating corporate governance policy and practice, monitoring trainings for Directors and senior management and supervising the Company's compliance of laws and regulations, as well as the Corporate Governance Code.

Under the leadership of the Board, the management of the Company executes the resolutions of the Board and is responsible for the daily operation and management of the Company.

The roles of chairman and president of the Company are segregated. The chairman and the president of the Company perform their respective duties in accordance with the relevant requirements regarding division of duties set out in rules such as the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for President.

CORPORATE GOVERNANCE REPORT, CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

The chairman is mainly responsible for presiding over general meetings and convening and presiding over Board meetings, checking and facilitating the implementation of the resolutions of the Board, nominating candidates for the secretary to the Board, supervising and examining the performance of each special committee under the Board, organizing and formulating rules for the operation of the Board, coordinating the operation of the Board, receiving regular or irregular work reports submitted by the senior officers of the Company and advising on the implementation of the resolutions of the Board, and performing other duties required by laws, administrative regulations, department regulations or the Articles of Association, and authorized by the Board. The president is accountable to the Board and is mainly responsible for taking charge of the Company's production, operation and management and reporting his work to the Board, coordinating to implement resolutions of the Board, coordinating to implement the Company's annual business plans and investment plans formulated by the Board, drafting plans for the establishment of the Company's internal management structure, drafting the Company's basic management system, formulating specific rules and regulations of the Company; proposing to the Board to appoint or dismiss the vice president of the Company and the financial officer; appointing or dismissing other management personnel other than those who shall be appointed or dismissed by the Board; signing important legally binding documents on behalf of the Company under the authorization of the legal representative of the Company; preparing the plan of merger, demerger and restructuring of subsidiaries of the Company; preparing the plan of establishment of the branch offices of the Company; and preparing the salary, benefits and award and punishment policies and programs of the employees of the Company; entrusting by the Board to exercise special dispositive power over the affairs of the Company in compliance with the provisions of the law and the interests of the Company in the event of force majeure or major critical circumstances that render it impossible to convene a Board meeting in time in case of emergency, and to report to the Board thereafter; formulating a plan for the establishment of a legal compliance management system of the Company, and organizing the implementation thereof after approval by the Board; and other powers and functions as stipulated in the laws, administrative regulations, departmental rules and regulations, or in the Articles of Association, and as conferred by the Board.

In order to ensure that the Board receives independent views and opinions, the Company clearly stipulates in the Rules of Procedure for the Board of Directors that a Director may obtain information required for decision-making from the Company and relevant persons and organs, and may also suggest that representatives of relevant persons and organs attend the meeting to explain the relevant circumstances. If a Director needs to obtain advice from an independent professional intermediary in order to properly fulfil the Director's responsibilities and obligations to the Company, the Director may make a reasonable request to the Board to that effect, and the Board may pass a resolution to provide the Director with the advice of the professional intermediary, and the Company shall bear the relevant intermediary fees. The Company has implemented the above mechanism to effectively ensure the independence of the Directors. The Board has reviewed the implementation and effectiveness of the mechanism during the Reporting Period and concluded them to be effective.

Directors are accountable to financial reports. When preparing the financial statements for the year ended 31 December 2025, Directors have chosen and applied appropriate accounting policies and made prudent and reasonable judgments and estimations to truly and fairly reflect the position, results and cash flow of the financial year. The statement made by the auditor of the Company on their reporting responsibilities is set out in the "Auditor's Report" beginning on page 159 of this annual report.

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VII. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Particulars of changes in shareholding and remuneration of current and resigned Directors and senior management during the Reporting Period

Unit: share

Name	Position	Gender	Age	Commencement date of term of office	End date of term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares during the year	Reason for the changes	Total remuneration before tax obtained from Company during the Reporting Period (RMB'000)	Whether obtained remuneration from the connected parties of the Company
Incumbent											
Chen Jianguang	Chairman and Executive Director	Male	59	2022-01-26	Till the formation date of the fourth session of the Board	0	0	0	-	0	Yes
Bai Xiaohu	Executive Director	Male	58	2024-12-30	Till the formation date of the fourth session of the Board	0	0	0	-	137.21	No
	Vice President			2020-08-28	Upon reappointment/dismissal by the Board						
Lang Jia	Non-executive Director	Male	72	2022-01-26	Till the formation date of the fourth session of the Board	0	0	0	-	29.94	No
Liu Li	Independent Non-executive Director	Male	70	2022-01-26	Till the formation date of the fourth session of the Board	0	0	0	-	33.24	No
Ng, Kar Ling Johnny	Independent Non-executive Director	Male	65	2020-04-29	Till the formation date of the fourth session of the Board	0	0	0	-	32.64	No
Zhou Guoping	Independent Non-executive Director	Female	66	2024-12-30	Till the formation date of the fourth session of the Board	0	0	0	-	32.80	No
Yan Aizhong	Employee Representative Director	Male	58	2020-08-31	Till the formation date of the fourth session of the Board	0	0	0	-	133.95	No
Zeng Jianzhong	Vice President	Male	60	2019-03-12	Upon reappointment/dismissal by the Board	0	0	0	-	134.07	No
Zhu Guangxia	Vice President	Male	46	2020-08-28	Upon reappointment/dismissal by the Board	0	0	0	-	133.08	No
Dong Su ^{Note 1}	Vice President, Chief Accountant (Chief Financial Officer)	Male	47	2025-08-11	Upon reappointment/dismissal by the Board	0	0	0	-	46.47	No
Xiao Peng ^{Note 2}	Vice President	Male	52	2025-04-16	Upon reappointment/dismissal by the Board	0	0	0	-	91.88	No
Chang Qi ^{Note 2}	Deputy Chief Economist, Secretary of the Board, and General Counsel	Male	51	2025-04-16	Upon reappointment/dismissal by the Board	0	0	0	-	76.33	No
Total	/	/	/	/	/	0	0	0	-	881.61	/
Resigned											
Zhou Jichang ^{Note 3}	Independent Non-executive Director	Male	75	2019-03-12	2025-03-12	0	0	0	-	5.58	No
Yin Sisong ^{Note 4}	Chairman of the Supervisory Committee	Male	62	2020-10-15	2025-06-30	28,100	28,100 ^{Note 6}	0	-	15.48	No
Zhang Yandi ^{Note 4}	Supervisor	Female	47	2019-03-12	2025-06-30	0	0	0	-	0	No
Chu Zhiqi ^{Note 4}	Supervisor	Male	55	2019-03-12	2025-06-30	0	0	0	-	0	No
Qiu Yang ^{Note 5}	Vice President	Male	55	2019-03-12	2025-01-26	70,000	70,000 ^{Note 6}	0	-	33.17	No
Wang Zhen ^{Note 2}	Secretary to the Board	Male	52	2022-12-16	2025-04-16	0	0	0	-	41.15	No
Total	/	/	/	/	/	98,100	-	0	/	95.38	/

Notes:

1. On 11 August 2025, the Company convened the 75th meeting of the 3rd Board of Directors, which resolved to approve the appointment of Mr. Dong Su as Vice President and Chief Accountant (Chief Financial Officer) of the Company. His term of office shall commence on the date of approval and review by the Board and expire on the date when the next Board of Directors appoints the new senior management (for details, please refer to the relevant announcement disclosed by the Company on 11 August 2025).
2. On 16 April 2025, the Board of Directors of the Company received the written resignation report from Mr. Wang Zhen, Secretary of the Board. Due to a change in work assignment, Mr. Wang Zhen resigned from his positions as Secretary of the Board, Joint Company Secretary and Authorised Representative of the Company. The resignation report shall take effect as of the date of the delivery to the Board of Directors. On the same day, the Company convened the 71st meeting of the 3rd Board of Directors, which appointed Mr. Xiao Peng as Vice President of the Company, and appointed Mr. Chang Qi as Secretary of the Board, Joint Company Secretary and Authorised Representative of the Company. Their terms of office shall commence on the date of approval by the Board of Directors until the date on which the next Board of Directors appoints the new senior management (for details, please refer to the relevant announcement disclosed by the Company on 16 April 2025).
3. On 12 March 2025, the Board of Directors of the Company received a written resignation report from Mr. Zhou Jichang, Independent Non-executive Director. Mr. Zhou Jichang resigned from his position as Independent Non-executive Director of the Company due to having served as an Independent Non-executive Director for six consecutive years (for details, please refer to the relevant announcement disclosed by the Company on 12 March 2025).
4. On 30 June 2025, the Company's 2024 annual general meeting approved the proposal to amend the Articles of Association. The Company will no longer have a Supervisory Committee. Mr. Yin Sisong, Ms. Zhang Yandi, and Mr. Chu Zhiqi will no longer serve as Supervisors of the Company.
5. Mr. Qu Yang holds H shares of the Company. On 26 January 2025, the Board of Directors of the Company received a written resignation report from Mr. Qu Yang, Vice President. Mr. Qu Yang resigned from his position as Vice President of the Company to the Board of Directors due to work changes (for details, please refer to the relevant announcement disclosed by the Company on 4 February 2025).
6. This figure represents the number of shares held by such person at the time of his departure.

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Biographical details of current Directors and senior management

Name	Major work experience
Chen Jianguang	<p>orn in April 1966, Chinese nationality with no right of abode overseas, Mr. Chen is currently the Chairman, executive Director, and the secretary of the Party Committee of the Company, and concurrently serves as a member of the Communist Party Committee and a vice general manager of China Minmetals Corporation as well as the Chairman and secretary of the Communist Party Committee of CMGC. Mr. Chen previously served as Manager of Overseas Section, director of the office, Assistant to chairman, the secretary to the board of directors and deputy chief accountant of China Construction Second Engineering Bureau Co. Ltd ("CCSEB"). He served as the chief accountant, deputy director and member of the standing committee of the Communist Party Committee from January 2003 to February 2006 of CCSEB. He served as the director, general manager and deputy secretary of the Communist Party Committee of CCSEB from February 2006 to December 2007. He served as chairman of the board of directors and secretary of the Communist Party Committee of CCSEB from December 2007 to December 2019, during the period concurrently served as the chairman of the board of directors of Power Construction Corporation of China Ltd. He served as the general manager of the investment department of China State Construction Engineering Corporation from December 2019 to October 2021. He served as the member of the Communist Party Committee and the deputy general manager of China Minmetals Corporation since October 2021, and the chairman of the board of directors of CMGC since December 2021; he served as the secretary of the Party Committee of CMGC from December 2021 to January 2025; he served as the chairman of the Company since January 2022; and he has served as the secretary of the Party Committee of the Company since December 2024. Mr. Chen graduated from Guangdong University of Foreign Studies, majoring in English (bachelor's degree), and University of Chinese Academy of Sciences (中國科學院大學), majoring in management science and engineering (doctoral graduate). Mr. Chen is a senior economist.</p>

CORPORATE GOVERNANCE REPORT, CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Major work experience
Bai Xiaohu	<p>Born in January 1968, Chinese nationality with no right of abode overseas, and is currently the executive Director, the member of the Standing Committee of the Party Committee and the vice president of the Company. Mr. Bai successively served as deputy chief economist of the operation department, deputy director of the marketing department, deputy manager of the project department of the Guangzhou Higher Education Mega Center, manager at Guangzhou branch and manager of the engineering project department of Guangzhou Higher Education Mega Center, general manager of the south China branch, general manager of the Guangzhou branch, and secretary of its General Party Branch in Shanghai Baoye Construction Co., Ltd.* (上海寶冶建設公司); assistant to general manager and head of the general contracting department, deputy general manager of Shanghai Baoye Group Corp., Ltd.* (上海寶冶集團有限公司); and general manager of the Henan branch of the Company* (中國中冶河南分公司). From October 2015 to October 2016, he served as chairman of the board of directors, general manager, deputy secretary of the party committee and secretary of the party committee in China Metallurgical Oriental Holdings Corp., Ltd.* (中冶東方控股有限公司), and general manager of the Henan branch of the Company* (中國中冶河南分公司). From October 2016 to March 2017, he served as director, general manager and deputy secretary of the party committee of Shanghai Baoye Group Corp., Ltd.* (上海寶冶集團有限公司) and chairman of the board of directors, general manager, and secretary of the party committee in China Metallurgical Oriental Holdings Corp., Ltd.* (中冶東方控股有限公司) and general manager of the Henan branch of the Company* (中國中冶河南分公司). From March 2017 to October 2020, he served as chairman of the board of directors and secretary of the party committee of Shanghai Baoye Group Corp., Ltd.* (上海寶冶集團有限公司), and he has been serving as vice president of the Company since August 2020 and the executive Director of the Company since December 2024. Mr. Bai majored in industrial electrical automation at the Automation Control Department of Xi'an University of Architecture and Technology* (西安冶金建築學院), from which he graduated with a bachelor's degree in engineering. Currently, Mr. Bai is a professorate senior engineer and senior economist.</p>
Lang Jia	<p>Born in February 1954, Chinese nationality with no permanent right of abode overseas, Mr. Lang currently serves as a non-executive Director of the Company. Mr. Lang previously served as a division-Head level cadre of Executive Office of the Liaoning Provincial Government, procurator of Supreme People's Procuratorate of the People's Republic of China and the head of the secretarial division of the general office from August 1992 to February 1996; deputy director of the discipline inspection office in the China National School of Administration from August 1996 to June 2001; Director of the discipline inspection office of China National School of Administration (Director) and the Deputy Secretary of the Council's Party Committee from June 2001 to June 2006; a member of the Communist Party Committee, Discipline Inspection Team Leader and chief legal counsel of China Electronics Corporation from June 2006 to December 2014; Director of China Electronics Corporation from March 2008 to 2014; Chairman of the Supervisory Committee of China Greatwall Technology Group CO., LTD. from August 2006 to July 2014; the chairman of CRIDC from July 2013 to December 2014 and an external director of China Minmetals Corporation from April 2015 to July 2021. Mr. Lang graduated with a bachelor's degree in Chinese from Liaoning Normal University in July 1982 and participated in a one-year training course for the middle-aged and youth organized by the Central Community Party School in 2003</p>

CORPORATE GOVERNANCE REPORT, CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Major work experience
Liu Li	<p>Born in September 1955, Chinese nationality with no permanent right of abode overseas, Mr. Liu currently serves as an independent non-executive Director of the Company, the Professor of Guanghua School of Management of Peking University. He is the external supervisor of Cinda Asset Management Co., Ltd. and the independent director of China Galaxy Securities Co., Ltd. (The term of office ends in December 2025). Mr. Liu Li taught at Beijing Institute of Iron and Steel from September 1984 to December 1985 and has been teaching in Guanghua School of Management (formerly known as Economic Management Department of School of Economics) of Peking University since January 1986. Mr. Liu was an independent non-executive director of listed companies, including Bank of Communications Co., Ltd., CNPC Capital Company Limited and China International Capital Corporation Limited, etc. Mr. Liu served as an external director of Metallurgical Corporation of China Ltd. from December 2006 to September 2008 and an independent non-executive Director of the Company from November 2008 to November 2014. Mr. Liu obtained a master's degree in physics from Peking University in July 1984 and MBA from Catholic University of Louvain in Belgium in July 1989.</p>
Ng, Kar Ling Johnny	<p>Born in December 1960, Mr. Ng is a resident of the Hong Kong Special Administrative Region, currently serves as an independent non-executive Director, and concurrently serves as an independent director of China Telecom Corporation Limited (中國電信股份有限公司). He is concurrently a vice director member of the third session of the Independent Director Specialized Committee of China Association for Public Companies (中國上市公司協會). Mr. Ng obtained a bachelor's degree and a master's degree in business administration from the Chinese University of Hong Kong in 1984 and 1999, respectively. Mr. Ng joined KPMG (Hong Kong) in 1984 and became a partner in 1996. He subsequently became the vice chairman of KPMG (China). He is currently a practicing certified public accountant in Hong Kong, a practicing auditor and certified public accountant in Macau, a fellow member of the Hong Kong Institute of Certified Public Accountants (FCPA), a fellow member of the Association of Chartered Certified Accountants (FCCA), and a fellow member of the Institute of Chartered Accountants in England and Wales (FCA).</p>
Zhou Guoping	<p>Born in February 1960, Chinese nationality with no right of abode overseas, Ms. Zhou currently serves as an independent non-executive Director of the Company. From March 1992 to September 1996, Ms. Zhou successively served as deputy director of the comprehensive planning department, assistant director and director of the comprehensive planning department and the planning and finance department of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from September 1996 to October 1999, she served as the deputy manager of the planning and finance department and the fund management department of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from October 1999 to October 2003, she successively served as the manager of the planning and finance department and the finance department, and the general manager of the finance department of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from October 2003 to December 2009, she served as the assistant to the general manager of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from December 2009 to January 2015, she served as the chief economist of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from January 2015 to September 2016, she served as the chief economist and general counsel of China National Building Material Group Co., Ltd.* (中國建材集團有限公司); from September 2016 to February 2020, she served as the chief economist of China National Building Material Group Co., Ltd.* (中國建材集團有限公司). Ms. Zhou graduated from Wuhan Institute of Building Materials Industry* (武漢建築材料工業學院) with a bachelor's degree in engineering majoring in Building Materials Machinery and later obtained an EMBA degree from Xiamen University* (廈門大學) and is qualified as a professor-grade senior engineer.</p>

CORPORATE GOVERNANCE REPORT, CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Major work experience
Yan Aizhong	<p>Born in June 1967, Mr. Yan is of Chinese nationality with no right of abode overseas and is currently the employee representative Director and deputy secretary of the Party Committee of the Company and also serves as the employee representative Director and deputy secretary of the Party Committee of CMGC. Mr. Yan successively served as the deputy secretary of the Party Committee (presided over the work), the secretary of the Discipline Committee, Chairman of the Trade Union, the secretary of the Party Committee of the Machinery and Electric Branch of China Second Metallurgical Construction Corporation Limited* (subsequently renamed as China Second Metallurgical Group Corporation Limited* ("CSMGC")), and an assistant to the general manager of CSMGC. He served as the deputy general manager, the deputy secretary of the Party Committee, the secretary of the Discipline Committee and the chairman of the labor union of CSMGC from January 2010 to September 2012, the head of the Party Committee promotion department of the Company from September 2012 to January 2013, the director of the general office of the Company from January 2013 to November 2014 (during which, he concurrently served as the director of the general office to the board of directors of the Company from May 2014 to November 2014). He served as the head of Party Committee organization department of the Company and the head of human resources department from November 2014 to May 2016. He served as the head of Party Committee organization department of the Company from May 2016 to March 2022. He has been a Supervisor of MCC from August 2016 to March 2019 and has been an assistant to the president of MCC from May 2017 to March 2018. Mr. Yan has been the vice president of the Company from March 2019 to September 2019. He served as the deputy secretary of the Party Committee of the Company since September 2019 and the deputy secretary of the Party Committee of CMGC from September 2019 to January 2025. Since August 2020, he has served as the employee representative Director of the Company and the employee representative Director of CMGC. Mr. Yan graduated from the mechanical and electrical engineering department of Baotou Iron & Steel College, majoring in industrial electrical automation, with a bachelor's degree, and from Inner Mongolia Autonomous Region Committee Party School, majoring in economic management, with a postgraduate degree. Mr. Yan is a professorate senior engineer.</p>
Zeng Jianzhong	<p>Born in October 1965, Chinese nationality with no right of abode overseas, Mr. Zeng is currently the member of the Standing Committee of the Party Committee and the vice President of the Company. Mr. Zeng successively served as the deputy director and the director of the Gas Office and the director of the Gas Ventilation Office of Beijing Iron and Steel Design and Research Institute (北京鋼鐵設計研究總院) under the Ministry of Metallurgy, and the general manager of the Technical Institute of Energy and Environmental Engineering of Capital Engineering & Research Incorporation Limited (中冶京誠工程技術有限公司). He served as an assistant to the president of Capital Engineering & Research Incorporation Limited and concurrently served as the general manager of the Technical Institute of Energy and Environmental Engineering, the general manager of the engineering control department, the general manager of municipal and public facilities engineering department, and the general manager of the metallurgical engineering department. He served as the deputy head (at the ministry level) of the domestic engineering management department and the head of the construction project quota station of metallurgical industry of the Company and the head of the domestic engineering management department (subsequently renamed as the domestic market development department) from June 2013 to May 2017. He served as an assistant to the president of the Company from May 2017 to April 2018 and concurrently the head of the domestic market development department. He has been the vice president of the Company since April 2018. Mr. Zeng Jianzhong graduated from the chemical machinery department of Dalian Institute of Technology, majoring in chemical equipment and machinery, with a bachelor's degree. Mr. Zeng is a professorate senior engineer.</p>

CORPORATE GOVERNANCE REPORT, CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Major work experience
Zhu Guangxia	<p>Born in July 1979, Chinese nationality with no right of abode overseas, Mr. Zhu is currently the member of the Standing Committee of the Party Committee and the vice President of the Company. Mr. Zhu successively served as deputy head and head of the First Electrical Installation Engineering Division of China MCC17 Group Co., Ltd., assistant manager of the mechanical and electrical installation company, and manager at Project Management Department of Jiuquan Iron and Steel (Group) Co., Ltd., manager of the Gansu Branch of China MCC17 Group; deputy general manager of China MCC17 Group and general manager with the Gansu Branch of the Company; from July 2016 to November 2017, he served as director, general manager and deputy Party committee secretary of China Second Metallurgy Group Corporation Limited; from November 2017 to July 2019, he served as chairman, general manager, and deputy secretary of the Party Committee at Second Metallurgy and chairman and Party secretary of Second Metallurgy from July 2019 to July 2020; from January 2020 to August 2020, he served as assistant to the president of the Company; since August 2020, he has been serving as vice president of the Company. Mr. Zhu graduated from Xi'an University of Architecture and Technology, where he majored in engineering management. Mr. Zhu is a professorate senior engineer.</p>
Dong Su	<p>Born in July 1978, Chinese nationality with no right of abode overseas, Mr. Dong is currently the member of the Standing Committee of the Party Committee, Vice President and Chief Accountant (Chief Financial Officer) of the Company. Mr. Dong previously served as Junior Clerk, Senior Clerk, and Department Manager in the Budget Department of the Finance Headquarters of China Minmetals Corporation. Mr. Dong served as Deputy General Manager of the Finance Department of Minmetals Nonferrous Metals Holding Co., Ltd. from November 2013 to May 2014; he served as Deputy General Manager of the Financial Management Department of the Finance Management Headquarters of Minmetals Nonferrous Metals Holding Co., Ltd. from May 2014 to February 2016; he served as General Manager of the Planning and Development Department of Minmetals Nonferrous Metals Co., Ltd. from February 2016 to June 2016; he served as Deputy Head of the Finance Headquarters of China Minmetals Corporation (later renamed China Minmetals Corporation Limited) from June 2016 to March 2022; he served as Head of the Capital Operation Department of China Minmetals Corporation Limited from March 2022 to April 2023; he served as Head of the Finance Department of China Minmetals Corporation Limited, concurrently serving as Director of the Group's Financial Shared Services Center, as well as Party Committee Secretary and Chairman of Minmetals Group Finance Co., Ltd. from April 2023 to August 2023; he served as Head of the Finance Department of China Minmetals Corporation Limited, concurrently serving as Party Committee Secretary and Chairman of Minmetals Group Finance Co., Ltd. from August 2023 to July 2025. From December 2024 to December 2025, Mr. Dong served as a Director of China Minmetals Corporation Limited. Since August 2025, he has served as Vice President and Chief Accountant (Chief Financial Officer) of the Company. Mr. Dong completed his postgraduate studies and obtained a master's degree in management, majoring in Accounting, from the School of Accounting, Beijing Technology and Business University.</p>

CORPORATE GOVERNANCE REPORT, CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Major work experience
Xiao Peng	<p>Born in December 1973, Chinese nationality with no right of abode overseas, Mr. Xiao is currently the member of the Standing Committee of the Party Committee and Vice President of the Company. Mr. Xiao previously served as Assistant Engineer and Engineer in the Steelmaking Design Department of Chongqing Iron & Steel Design and Research Institute, CMGC; and then served successively as Engineer-in-Charge of the Steelmaking Department, Head of the Steelmaking Department of the Equipment Complete Set Division, and Head of the Steelmaking Division and concurrently Deputy Head of the Equipment Complete Set Division of CISDI Engineering Co., Ltd. He served as Head of the Overseas Business Department of CISDI Engineering Co., Ltd. from January 2008 to September 2010; he served as Assistant to the General Manager of CISDI Engineering Co., Ltd. from September 2010 to May 2011; he served as Head of the Overseas Business Department of CISDI Group Co., Ltd. from May 2011 to March 2012; he served as Assistant to the General Manager of CISDI Group Co., Ltd. and Chief Engineer of CISDI Engineering Co., Ltd. from March 2012 to November 2012; he served as Deputy General Manager and Chief Engineer of CISDI Group Co., Ltd., and Chief Engineer of CISDI Engineering Co., Ltd. from November 2012 to September 2017; he served as Chief Engineer of MCC Group and MCC from September 2017 to June 2020; he served as Director, General Manager, and Deputy Party Committee Secretary of CISDI Group Co., Ltd from June 2020 to March 2025. Since April 2025, he has served as Vice President of the Company. Mr. Xiao completed his university education and obtained a bachelor's degree in engineering, majoring in Ferrous Metallurgy, from the School of Metallurgy, University of Science and Technology Beijing. Currently, Mr. Xiao is a professorate senior engineer.</p>
Chang Qi	<p>Born in September 1974, Chinese nationality with no right of abode overseas, Mr. Chang is currently the Deputy Chief Economist, Secretary to the Board, General Counsel, Joint Company Secretary and Authorized Representative of the Company. Mr. Chang successively served as Deputy Section Manager of the Legal Department of China National Metals & Minerals Import & Export Corporation, Deputy Department Manager and Department Manager of China Minmetals H. K. (Holdings) Limited, Deputy General Manager of China Jinsin Investment Co., Ltd. – a subsidiary of China Minmetals H. K. (Holdings) Limited, Board Secretary and concurrently Deputy General Manager of the Secretariat Department of China Minmetals H. K. (Holdings) Limited and concurrently Deputy General Manager of China Jinsin Investment Co., Ltd., and Executive Deputy General Manager of the Secretariat Department of China Minmetals H. K. (Holdings) Limited and concurrently General Manager of CHINA EXPAND DEVELOPMENT LIMITED (中拓工程發展有限公司). He served as Deputy General Manager and Board Secretary of China Minmetals H. K. (Holdings) Limited from January 2017 to June 2018; he served as General Manager of China Minmetals H. K. (Holdings) Limited from June 2018 to August 2018; he served as Director and General Manager of China Minmetals H. K. (Holdings) Limited from August 2018 to March 2025; he has served as Deputy Chief Economist of the Company since March 2025; he has served as Board Secretary, Joint Company Secretary and Authorized Representative of the Company since April 2025; and, he has served as General Counsel of the Company since February 2026. Mr. Chang completed his university education and obtained a bachelor's degree in laws, majoring in International Economic Law, from the University of International Business and Economics. He pursued in-service postgraduate studies and obtained a master's degree in laws from the Graduate Program in Economic Law at Peking University. Currently, Mr. Chang is an international business engineer.</p>

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(II) Employment status of current and resigned Directors and senior management during the Reporting Period

1. Employment status at shareholder entities

Name	Name of shareholder entities	Position in shareholder entities	Commencement date of term of office	Date of Termination of Office
Incumbent				
Chen Jianguang	China Minmetals Corporation	Member of Communist Party Committee, Deputy general manager	October 2021	–
	China Metallurgical Group Corporation	Chairman Secretary of the Communist Party Committee	December 2021 December 2021	– January 2025
Bai Xiaohu	China Metallurgical Group Corporation	Member of the standing committee of the Communist Party Committee	July 2020	January 2025
Yan Aizhong	China Metallurgical Group Corporation	Employee Representative Director Deputy secretary of the Communist Party Committee	August 2020 September 2019	– January 2025
Zeng Jianzhong	China Metallurgical Group Corporation	Member of the standing committee of the Communist Party Committee	March 2018	January 2025
Zhu Guangxia	China Metallurgical Group Corporation	Member of the standing committee of the Communist Party Committee	July 2020	January 2025
Dong Su	China Minmetals Corporation Limited	Director	December 2024	December 2025
Resigned				
Wang Zhen	China Metallurgical Group Corporation	Director of the office, director of the office of the Party Committee, director of the Board office (office of the board of supervisors)	December 2022	April 2025
Positions in Shareholder Entities	Nil.			

2. Employment status at other entities

Name	Name of other entities	Position in other entities	Commencement date of term of office	Date of Termination of Office
Incumbent				
Ng, Kar Ling Johnny	China Telecom Corporation Limited	Independent Non-executive Director	January 2023	-
Liu Li	Research Center of Finance & Securities of Peking University	Professor	September 1997	-
	China Galaxy Securities Co., Ltd.	Independent Non-executive Director	January 2024	-
	Cinda Asset Management Co., Ltd.	External Supervisor	August 2022	December 2025
Resigned				
Zhou Jichang	Freotech Road Recycling Technology(Holdings) Limited (英達公路再生科技(集團)有限公司)	Non-executive Director	February 2021	-
	Zhejiang Communications Technology Co., Ltd.	Independent Non-executive Director	December 2022	-
Positions in other entities	Nil.			

(III) Remuneration of Directors and senior management

Determination procedures for remuneration of Directors and senior management	The remuneration of Directors of the Company who are not representatives of employees shall be reviewed and approved by the shareholders' meeting. The remuneration of senior management is subject to the management regulations of the upper authorities and is proposed by the Remuneration and Appraisal Committee of the Board, reviewed and approved by the Board and reported to the superior management department for filing.
Whether Directors recuse themselves from the Board's discussions on their remuneration	Yes

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Details of special meetings of the Remuneration and Appraisal Committee or independent Directors issuing recommendations on matters relating to the remuneration of Directors and senior management	On 28 March 2025, the first meeting of the Remuneration and Appraisal Committee of the third session of the Board of the Company in 2025 considered the Resolution on the Emoluments of Directors and Supervisors of the Company for the Year 2024, agreed to the resolution and submitted it to the Board for deliberation. On 17 November 2025, the third meeting of the Remuneration and Appraisal Committee of the third session of the Board of the Company in 2025 heard the Resolution on the Emoluments of Senior Management of the Company for the Year 2024 and the Proposed Term Incentive Plan for the 2022–2024, agreed to the resolution and submitted it to the Board for deliberation.
Basis for determination of remuneration of Directors and senior management	The remuneration of the non-executive Directors and independent non-executive Directors of the Company is determined according to the market level and the actual situation of the Company. Executive Directors do not receive remuneration for their positions as directors, but receive remuneration according to their positions in the Company and their assessments. The remuneration of the senior management of the Company shall be implemented in accordance with the management regulations of the superior department and the remuneration management policies of the senior management of the Company.
Remuneration actually paid to Directors and senior management	RMB9.615 million
Total actual remuneration received by all Directors and senior management at the end of the Reporting Period	RMB9.615 million
Basis for assessment and completion status of actual remuneration received by all Directors and senior management at the end of the Reporting Period	The Company assesses the annual performance of Directors and senior management in accordance with relevant remuneration management policies, and determines their remuneration based on such assessment results.
Deferred payment arrangements for actual remuneration received by all Directors and senior management at the end of the Reporting Period	Deferred payment has been established for the current performance-based remuneration of executive directors, employee representative director, and senior management of the Company.
Status of stop-payment recovery of actual remuneration received by all Directors and senior management at the end of the Reporting Period	None

For details of the remuneration of Directors in office of the Company in 2025 as of the end of the Reporting Period, please refer to note XIII 5. Connected transaction – (6) Remuneration of key management to the Section IX “FINANCIAL STATEMENTS” of this report.

(IV) Changes of Directors and senior management of the Company

Name	Position	Change	Reason
Zhou Jichang	Independent Non-executive Director	Resigned	Serving as an Independent Non-executive Director of the Company for six consecutive years
Qu Yang	Vice president	Resigned	As required by work
Wang Zhen	Board secretary, joint company secretary, authorized representative	Resigned	As required by work
Dong Su	Vice president, chief accountant (Chief Financial Officer)	Appointed	As required by work
Xiao Peng	Vice president	Appointed	As required by work
Chang Qi	Deputy chief economist, board secretary, general counsel, joint company secretary, authorized representative	Appointed	As required by work

(V) Penalties imposed by securities regulatory authorities in recent three years

Applicable Not applicable

(VI) Other disclosures required by the Hong Kong Stock Exchange**1. Management contracts**

Apart from the service contracts of management personnel of the Company, the Company has not entered into any contract with any individual, company or body corporate to manage or handle the whole department or any material part of the Company's business.

2. Directors' and Supervisors' interests in contracts

During the Reporting Period and as at the end of the Reporting Period, none of the Directors or Supervisors, unless disclosed in the relevant announcements, directly or indirectly had a material interest in any transaction, arrangement and contract of significance to the Company that was entered into by the Company, its subsidiaries or subsidiaries of its holding company.

3. Directors' interests in business competing with the Company

During the Reporting Period and as of the latest practicable date before the publication of this report (being 30 March 2026), none of the Directors had any interests in any business that competes or is likely to compete, either directly or indirectly, with the business of the Company.

4. Directors' and Supervisors' service contracts

None of the Directors and Supervisors of the Company had entered into a service contract with the Company or any of its subsidiaries that is not determinable within one year without payment of compensation (other than statutory compensation).

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5. Directors' rights regarding share acquisition

During the Reporting Period and as at the end of the Reporting Period, there is no arrangement in which the Company or its subsidiaries or holding companies or the subsidiaries of the holding companies act as a party, and which enables any Directors of the Company or any of their spouses or offspring under the age of eighteen to obtain benefits by means of the acquisition of shares, or debentures of, the Company or any other corporate entity.

6. Model code for securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as the codes 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 of the Company confirmed that they and their respective associates had fully complied with the required standards provided by the above code during the Reporting Period.

VIII. THE PERFORMANCE OF DUTIES BY DIRECTORS

(I) Attendance of Directors at Board Meetings and General Meetings

Name of Directors	Whether they are independent Directors	Number of attendance at Board meetings required for the year	Attendance at Board Meetings				Whether they did not attend in person for two times consecutively	Attendance at general meetings
			Number of meetings attended in person	Number of meetings attended via communication	Number of meetings attended by proxy	Number of absence		
Chen Jianguang	No	14	13	7	1	0	No	2
Bai Xiaohu	No	14	14	7	0	0	No	2
Lang Jia	No	14	14	7	0	0	No	1
Liu Li	Yes	14	14	7	0	0	No	1
Ng, Kar Ling Johnny	Yes	14	14	7	0	0	No	0
Zhou Guoping	Yes	14	14	7	0	0	No	0
Yan Aizhong	No	14	12	7	2	0	No	0
Zhou Jichang	Yes	1	1	1	0	0	No	0

Explanation on the absence from Board meeting for two times consecutively

Applicable Not applicable

Number of Board meetings held during the year	14
Including: Number of on-site meetings	5
Number of meetings convened via communication	7
Number of meetings convened by combination of on-site meeting and communication	2

(II) Objections on Relevant Issues of the Company Raised by Directors

Applicable Not applicable

IX. THE SPECIAL COMMITTEE UNDER THE BOARD

(I) Members of the Special Committees under the Board

Category of the Special Committees	Name of the members
Audit Committee	Convener: Ng, Kar Ling Johnny (Independent Non-executive Director) Committee member: Liu Li (Independent Non-executive Director), Zhou Guoping (Independent Non-executive Director)
Nomination Committee	Convener: Zhou Guoping (Independent Non-executive Director) Committee member: Chen Jianguang (Executive Director, Chairman of the Board), Liu Li (Independent Non-executive Director)
Remuneration and Appraisal Committee	Convener: Liu Li (Independent Non-executive Director) Committee member: Lang Jia (Non-executive Director), Zhou Guoping (Independent Non-executive Director)
Strategy Committee	Convener: Chen Jianguang (Executive Director, Chairman of the Board) Committee member: Bai Xiaohu (Executive Director, Vice President), Lang Jia (Non-executive Director)
Sustainable Development Committee	Convener: Lang Jia (Non-executive Director) Committee member: Bai Xiaohu (Executive Director, Vice President), Ng, Kar Ling Johnny (Independent Non-executive Director), Zhou Guoping (Independent Non-executive Director)

(II) Audit Committee

1. Performance of the Audit Committee

In accordance with the requirements of the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Audit Committee, the Audit Committee is accountable to the Board and is mainly responsible for reviewing the Company's financial information and its disclosure, as well as supervising and evaluating internal and external audits and internal controls. The following matters shall be submitted to the Board for consideration upon obtaining the consent of more than half of all members of the Audit Committee: disclosure of financial accounting reports and financial information in periodic reports, internal control evaluation reports; appointment or dismissal of accounting firms undertaking the Company's audit business; appointment or dismissal of the Company's financial officer; changes in accounting policies or estimates, or correction of significant accounting errors for reasons other than changes in accounting standards; other matters stipulated by laws, administrative regulations, the CSRC, and the Articles of Association.

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2. During the Reporting Period, the Audit Committee held a total of 9 meetings

Convening date	Meeting content	Important comments and suggestions	Other performance of duties
18 February 2025	The first meeting of the Finance and Audit Committee under the third session of the Board in 2025 received the report on the Resolution on the 2025 Budget of MCC.	The meeting agreed to submit the 2025 budget proposal to the Board for consideration.	-
27 March 2025	The second meeting of the Finance and Audit Committee under the third session of the Board in 2025 received the Resolution on the 2024 Annual Report of MCC, Resolution on the 2024 Financial Accounts Report of MCC, Resolution on the 2024 Asset Impairment Provision of MCC, Report on the 2024 Performance Report of the Finance and Audit Committee of the Board of MCC and Report of the Finance and Audit Committee of the Board of MCC on the Performance of Supervisory Duties by the Accounting Firm in 2024, Resolution on the 2024 Internal Control Evaluation Report of MCC, and Resolution on the 2025 Internal Audit Work Plan of China Metallurgical Group Corporation Limited.	The meeting agreed to the above resolutions and reports and submitted them to the Board of the Company for consideration. The meeting considered that the preparation of the annual report and financial accounts of the Company for 2024 complies with the relevant provisions of the regulators and the Listing Rules, and reflects the actual situation of the Company in an objective, complete and fair manner. The meeting provided comments and suggestions on matters such as the Company's ability to improve operating cash flow, strengthen project management and risk control, governance of loss-making enterprises, and strengthen overseas project management.	Communication with Ernst & Young Hua Ming in relation to the audit of the 2024 financial report of MCC was made.
29 April 2025	The third meeting of the Finance and Audit Committee under the third session of the Board in 2025 received the reports on the Resolution on the the First Quarterly Report of MCC for 2025 and the Resolution on Initiating the Selection and Engagement of Auditors of 2025 Financial Report of MCC.	The meeting agreed to the above resolutions and submitted them to the Board of the Company for consideration. The meeting considered that the preparation of the Company's First Quarterly Report for 2025 complies with the relevant requirements of the Ministry of Finance and the Shanghai Stock Exchange, as well as the regulations on information disclosure for listed companies of the China Securities Regulatory Commission/ It objectively reflects the Company's economic performance and financial condition during the first quarter.	-

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Convening date	Meeting content	Important comments and suggestions	Other performance of duties
28 May 2025	The fourth meeting of the Finance and Audit Committee under the third session of the Board in 2025 received the report on the Resolution in relation to the Appointment of Auditor for Financial Report and Internal Control Auditor of MCC for the year 2025.	The meeting agreed to the above resolution and report and submitted them to the Board of the Company for consideration. After comprehensive consideration of the Company's strategic development needs and audit requirements, based on Deloitte Touche Tohmatsu's audit experience and quality, industry knowledge and technical capabilities, independence and objectivity, audit fees and market reputation, as well as thorough evaluation of the team responsible for the Company's audit services in terms of their professional competence, experience, scale, and organizational structure, the meeting considered that Deloitte Touche Tohmatsu possesses professional competence, investor protection capabilities, and independence. Accordingly, the meeting agreed the appointment of Deloitte Touche Tohmatsu as the MCC's lead auditor for the audit of 2025 Annual Report and for the review of semi-annual financial reports, and the auditor for internal control audit.	-
18 June 2025	The fifth meeting of the Finance and Audit Committee under the third session of the Board in 2025 received the report from Deloitte Touche Tohmatsu on the arrangements for audit work.	The meeting considered that Deloitte Touche Tohmatsu demonstrated comprehensive consideration in arranging the audit team, transition arrangements, quality management measures, timelines, and audit strategies and methodologies, while accurately identifying key focus areas. The meeting considered that Deloitte Touche Tohmatsu shall fully consider MCC's business scale by deploying professional and adequate audit resources to ensure the smooth execution of the audit. It is essential to maintain the effective working methods and mechanisms established in previous collaborations with the Company, swiftly commence operations, and diligently execute the semi-annual review and annual audit tasks.	-

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Convening date	Meeting content	Important comments and suggestions	Other performance of duties
11 August 2025	The sixth meeting of the Finance and Audit Committee under the third session of the Board in 2025 received reports on the Resolution on Appointing the Vice President and Chief Accountant (Chief Financial Officer) of Metallurgical Corporation of China Ltd. and Resolution on Determining the Specific Remuneration for the Review Institution of 2025 of MCC and the Signing of Business Agreements	The meeting agreed to the above resolutions and reports and submitted them to the Board of the Company for consideration. The meeting considered that Mr. Dong Su had extensive experience in financial management and related fields, along with the professional expertise, experience, and capabilities required to serve as the Company's chief accountant (chief financial officer). His qualifications for the position comply with the relevant provisions of laws and regulations, including the Company Law and the Articles of Association, as well as normative documents. The meeting agreed to the remuneration arrangements for the main auditor, Deloitte Touche Tohmatsu Certified Public Accountants LLP, and the participating auditor, Pan-China Certified Public Accountants LLP.	-
28 August 2025	The seventh meeting of the Finance and Audit Committee under the third session of the Board in 2025 received the reports on the Resolution on the 2025 Semi-annual Report of MCC, Resolution on the 2025 Semi-annual Review Report of MCC, Resolution on the 2025 Semi-annual Asset Impairment Provision of MCC, and Summary of the Review of the Financial Report for the First Half of 2025 of MCC.	The meeting agreed to the above resolutions and reports and submitted them to the Board of the Company for consideration. The meeting considered that the preparation of the 2025 semi-annual report and semi-annual financial report of the Company complies with the relevant provisions of the regulators and the Listing Rules, and reflects the actual situation of MCC in an objective, complete and fair manner. The meeting provided comments and suggestions on matters such as the Company's development strategy, business positioning, capital security, and capital market image.	-
30 October 2025	The eighth meeting of the Finance and Audit Committee under the third session of the Board in 2025 received the reports on the Resolution on the 2025 Internal Control Evaluation Work Report of MCC and the Resolution on the Third Quarterly Report of MCC for 2025.	The meeting agreed to the above resolutions and reports and submitted them to the Board of the Company for consideration. The meeting considered that the preparation of the Third Quarterly Report of the Company for 2025 complies with the relevant provisions of the regulators and the Listing Rules, and reflects the actual situation of MCC in an objective, complete and fair manner. The meeting provided comments and suggestions on matters such as the Company's liquidation, market expansion, and industrial technology upgrades.	-

Convening date	Meeting content	Important comments and suggestions	Other performance of duties
8 December 2025	The ninth meeting of the Finance and Audit Committee under the third session of the Board in 2025 received the report from Deloitte Touche Tohmatsu on the Annual Audit Plan.	The meeting considered that Deloitte CPA's overall approach, audit strategy, and work arrangements for MCC's 2025 audit plan were systematic and comprehensive, and it fully considered the Company's diverse business models and industry characteristics, with particular emphasis on major risks and key audit areas. The meeting required Deloitte Touche Tohmatsu to strictly adhere to the work plan and advance the annual report audit in an orderly manner. During the annual audit process, it must engage in thorough communication with management regarding matters requiring special attention and continue to provide targeted recommendations for risk control.	–

(III) Nomination Committee

1. *Performance of the Nomination Committee*

Pursuant to the requirements of the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Nomination Committee, the Nomination Committee is accountable to drawing up criteria and procedures for the selection of Directors and senior management, selecting and reviewing the selection of Directors and senior management and their qualifications for appointment, and exercising the following specific powers and duties: it is responsible for studying and formulating the criteria, procedures and methods for the selection of Directors, president and other senior management of the Company, and making recommendations to the Board; selecting and reviewing the selection of Directors, president and other senior management and their qualifications for appointment, and making recommendations to the Board; making recommendations to the Board on the nomination or dismissal of Directors, and the appointment or dismissal of senior management; stipulating the Board diversity policy (including gender, age, culture and education background or professional experience) in accordance with strategy, business model and specific needs of the Company, and studying and examining the structure, size and composition of the Board at least once per year, evaluating the independence of independent non-executive Directors, and discharging other duties authorized by the Board (including but not limited to the relevant principles in Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules and the proposed powers and functions in the code provisions).

During the Reporting Period, the members of the Nomination Committee reviewed the structure, size and composition of the Board, which, in their opinion, were consistent with the Articles of Association, regulatory requirements and business requirements of the Company. The composition of the Directors of the special committees of the Board was based on the professional knowledge, expertise and previous experience of the Directors, which gave full play to the professional knowledge and skills of the Directors.

2. *During the Reporting Period, the Nomination Committee held 2 meetings*

Convening date	Meeting content	Important comments and suggestions
16 April 2025	The first meeting of the Nomination Committee under the third session of the Board in 2025 received the reports on the Resolution on Appointing the Vice President of Metallurgical Corporation of China Ltd. and the Resolution on Appointing the Board Secretary/Joint Company Secretary of Metallurgical Corporation of China Ltd..	The meeting agreed to the above resolutions and reports and submitted them to the Board of the Company for consideration.
11 August 2025	The second meeting of the Nomination Committee under the third session of the Board in 2025 received the report on the Resolution on Appointing the Vice President and Chief Accountant (Chief Financial Officer) of Metallurgical Corporation of China Ltd..	The meeting agreed to the resolution and submitted it to the Board of the Company for consideration.

(VI) **Remuneration and Appraisal Committee**

1. *Performance of the Remuneration and Appraisal Committee*

Pursuant to the requirements of the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Remuneration and Appraisal Committee, the Remuneration and Appraisal Committee is accountable to formulating the evaluation criteria for Directors and senior management and conducting the evaluation, preparing and reviewing the remuneration policies and programs such as the mechanism for determining the remuneration of Directors and senior management, the decision-making process, and the arrangements for the payment and stoppage of recourse. The Remuneration and Appraisal Committee shall specifically exercise the following powers and functions: studying and formulating standards for the appraisal of Directors and senior management, organizing the appraisal and making recommendations; studying and formulating the remuneration policy, remuneration and performance appraisal plan, reward and punishment proposal for Directors and senior management; formulating or changing the share incentive scheme and employee share ownership scheme, granting of rights and benefits to the targets of the incentives and fulfillment of the conditions for exercising the rights and benefits; arranging share ownership schemes for Directors and senior management in the subsidiaries proposed to be spun off; and considering and approving the income distribution plan for the Company's employees and exercising such other powers and functions conferred by the Board as well as other powers and functions that may be exercised by the Remuneration and Appraisal Committee as stipulated in the rules of the Listing Rules of the place of listing of the Company's shares (including but not limited to the relevant principles in Appendix C1 stipulated in the Hong Kong Listing Rules Corporate Governance Code and the proposed powers and functions in the code provisions).

2. *During the Reporting Period, the Remuneration and Appraisal Committee convened 3 meetings*

Convening date	Meeting content	Important comments and suggestions
27 March 2025	The first meeting of the Remuneration and Appraisal Committee under the third session of the Board in 2025 received the report on the Resolution on the Remuneration of Directors and Supervisors of MCC for 2024.	The meeting agreed to the resolution and submitted it to the Board of the Company for consideration.
28 August 2025	The second meeting of the Remuneration and Appraisal Committee under the third session of the Board in 2025 received the report on the Resolution on the Revising the Management Measures for the Performance Evaluation of Headquarters Leadership Personnel.	The meeting agreed to the Management Measures for the Performance Evaluation of Headquarters Leadership Personnel and submit it to the Board for consideration.
17 November 2025	The third meeting of the Remuneration and Appraisal Committee under the third session of the Board in 2025 received the report on the Resolution on the Proposed Salary Plan for MCC's senior executives in 2024 and 2022–2024 Term Incentive Plan.	The meeting agreed to submit the resolution to the Board for consideration.

(V) **Strategy Committee**

1. *Performance of the Strategy Committee*

In accordance with the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Strategy Committee, the Strategy Committee is accountable to the Board and is mainly responsible for conducting research and giving recommendations on the Company's mid to long term development strategies and major investment decisions; deliberating on the Company's development strategy and establishing the basic strategic framework; organizing the formulation of the Group's medium and long-term development plans, providing guidance on and reviewing and approving the strategic development plans of material subsidiaries; reviewing and approving the Company's annual business plans and investment plans; conducting research on and give recommendations on major investment and financing plans, capital operation and asset management projects; formulating restructuring and restructuring plans, providing guidance to subsidiaries on the formulation of their restructuring and restructuring plans and putting forward deliberation opinions; conducting regular evaluations of the Company's corporate governance structure and organizational structure in light of the Company's business and management needs, putting forward adjustment opinions, and exercising other powers and functions conferred by the Board.

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2. *During the Reporting Period, the Strategy Committee convened 2 meetings*

Convening date	Meeting content	Important comments and suggestions
28 August 2025	The first meeting of the Remuneration and Appraisal Committee under the third session of the Board in 2025 received the report on the Resolution on the Optimization and Restructuring of MCC Headquarters.	The meeting agreed to submit the resolution to the Board for consideration.
8 December 2025	The second meeting of the Remuneration and Appraisal Committee under the third session of the Board in 2025 received the report on the Resolution on the Company's Asset Disposal and Related Party Transaction	The meeting considered that the transaction will consolidate the Company's non-core businesses into China Minmetals, thereby mitigating risks associated with the Company's real estate operations, optimizing its business structure, refocusing on core competencies, and enhancing its core competitiveness and sustainable profitability. Upon completion of this transaction, the Company will concentrate on metallurgical engineering, nonferrous and mining engineering construction and operations, high-end infrastructure, and emerging industries to drive high-quality business development. The meeting agreed to the resolution and submitted it to the Board of the Company for consideration.

(VI) Sustainable Development Committee

1. Performance of the Sustainable Development Committee

Pursuant to the requirements of the Articles of Association, the Rules of Procedures for Board Meetings and the Work Rules for the Sustainable Development Committee, the Sustainable Development Committee is mainly responsible for studying on objectives, strategies, plans and major decisions related to the Company's sustainable development (including environmental, social and governance) and making recommendations to the Board; overseeing the implementation and progress of the Company's sustainable development strategies and plans; overseeing the Company's commitment and performance in addressing key issues such as climate change, health and safety and social responsibility performance and making recommendations to the Board; following important information on sustainable development issues related to the Company's business, studying issues related to the Company's sustainable development and making recommendations to the Board; reviewing the Company's Environmental, Social and Governance Report (ESG Report) or Social Responsibility Report and making recommendations to the Board; other terms of reference exercisable by the Sustainable Development Committee as may be prescribed or recommended by the listing rules of the place where the Company's shares are listed (including but not limited to the terms of reference set out in the Environmental, Social and Governance Reporting Code in Appendix C2 of the Hong Kong Listing Rules); and other duties authorized by the Board.

2. During the Reporting Period, the Sustainable Development Committee convened 2 meetings

Convening date	Meeting content	Important comments and suggestions
27 March 2025	The first meeting of the Sustainable Development Committee of under the third session of the Board in 2025 received the reports on the Resolution on the MCC 2024 Environmental, Social, and Governance and Sustainable Development Report, the Report on the Company's 2024 Safety, Quality, and Environmental Protection Initiatives, and the Resolution on the Law Compliance Work of the Company for 2024.	The meeting agreed to the above matters and submit them to the Board of Company for consideration.
28 August 2025	The second meeting of the Sustainable Development Committee of under the third session of the Board in 2025 received the report on the safety, quality, and environmental protection initiatives and law compliance work of the Company for the first half of 2025.	The meeting noted that in the first half of this year, the Company undertook substantial work in areas such as production safety, quality and environmental protection, and compliance management, achieving significant results.

(VII) Explanations on Objections

Applicable Not applicable

(VIII) Special Meetings of Independent Directors

1. Convening of Special Meetings of Independent Directors

In accordance with the Articles of Association, the Rules of Procedures for Board Meetings, the Work Measures for Independent Directors and the Work Rules for of Specialized Meetings of Independent Directors, the independent Directors owe a duty of loyalty and diligence to the Company and all Shareholders, and shall conscientiously perform their duties in accordance with the laws, administrative regulations, the rules of the CSRC, the business rules of the stock exchanges and the Articles of Association of the Company, play the roles of participation in decision-making, supervision, checks and balances and professional consultation in the Board, and safeguard the interests of the Company as a whole as well as protect the lawful rights and interests of the small and medium-sized Shareholders. Special meetings of independent Directors are convened irregularly based on work requirements, attended exclusively by the Company's independent Directors, and are specifically held to enable independent Directors to effectively perform their duties and fulfill their roles. The following matters shall be submitted to the Board for consideration only after they have been considered at the special meeting of independent Directors and agreed by a majority of all independent Directors of the Company: related-party transactions that require disclosure; proposals for changes in or waivers of undertakings by the Company and related parties; decisions and measures taken by the Board in relation to the acquisition of the Company in the event of a takeover of the Company; and other matters stipulated by laws, administrative regulations, the CSRC, exchange rules, and the Articles of Association.

2. During the Reporting Period, the Special Meetings of Independent Directors convened 3 meetings

Convening date	Meeting content	Important comments and suggestions
27 March 2025	The 2025 first special meeting of independent Directors receive the the reports on the Resolution on Setting Annual Caps for Daily Related Party Transactions/Continuing Connected Transactions in 2026 and the Resolution on MCC's 2024 Annual Risk-Based Continuing Assessment Report on CMC Finance Co., Ltd..	The meeting considered that the above resolutions had no circumstances that were detrimental to the interests of the Company or the Shareholders, and that they were fair and reasonable as far as the Company and the Shareholders were concerned. The meeting agreed to the above resolutions and submit them to the Board of the Company for consideration.

CORPORATE GOVERNANCE REPORT, CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Convening date	Meeting content	Important comments and suggestions
28 August 2025	The 2025 second special meeting of independent Directors receive the report on the Resolution on Metallurgical Corporation of China Ltd.'s Risk-Based Continuing Assessment Report on CMC Finance Co., Ltd..	The meeting considered that the risks associated with conducting financial transactions such as deposits between the Company and the relevant party were under control, did not affect the Company's independence, posed no risk of funds being appropriated by the related party, and did not harm the interests of the Company or minority shareholders. Accordingly, the meeting agreed to the resolution and submit it to the Board for consideration.
8 December 2025	The 2025 third special meeting of independent Directors receive the reports on the Resolution on the Company's Asset Disposal and Related-Party Transaction and the Resolution on Related-Party Guarantees Arising from the Disposal of Subsidiary Equity Interests	The meeting considered that the transaction price was fair, and there were no circumstances that were detrimental to the legitimate rights and interests of the Company and Shareholders, and it would not affect the Company's ability to continue operations or its independence. The meeting agreed to the above resolutions and submit them to the Board for consideration.

X. EXPLANATION OF RISKS IDENTIFIED BY THE AUDIT COMMITTEE

Applicable Not applicable

XI. EMPLOYEES OF THE PARENT COMPANY AND PRINCIPAL SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

(I) Employees

Number of existing staff of the parent company	404
Number of existing staff of principal subsidiaries	89,578
Total number of existing staff	89,982
Number of resigned or retired staff to whom the parent company and principal subsidiaries are liable	109,362

Composition of professions

Type of profession	Number of professionals
Engineering contracting business	76,385
Featured business	12,717
Other business	880
Total	89,982

Educational Level

Category of Educational Level	Number (in persons)
Above postgraduate	15,070
Undergraduate	52,304
College degree	10,144
Below college degree	12,464
Total	89,982

As of the end of the Reporting Period, the Company had a total of 89,982 employees, including 72,667 male employees and 17,315 female employees. The Company always strictly abides by the "Labor Law of the People's Republic of China" and other relevant laws and regulations, protects the legitimate rights and interests of employees, and provides equal employment opportunities for employees of different genders, insists on equal pay for equal work and puts an end to gender discrimination in accordance with the principle of equal employment.

(II) Remuneration policies

The Company implements a market-oriented and performance-based remuneration system. In accordance with applicable regulations, the Company establishes basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund for employees. In accordance with applicable laws and regulations, the above social insurance and housing provident fund are paid in strict accordance with national, provincial and municipal regulations. The Company has also established enterprise annuities for employees in accordance with applicable regulations and with the approval of higher units.

(III) Training programs

In 2025, the Company carried out extensive education and trainings for cadres and employees in accordance with the stratified and layered management pattern, and the political capabilities of talents at all levels of operation and management, professional and technical talents, and technical talents were further reinforced, while professional capabilities and practical skills were continuously improved, which established a solid foundation for the Company's production and operation, and reform and development.

(IV) Outsourcing of labor service

Applicable Not applicable

XII. PROPOSAL FOR PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE TO SHARE CAPITAL

(I) Formulation, implementation or adjustment of cash dividend distribution policy

The profit distribution policy as required in the Articles of Association is set out as follows:

1. *Basic principles of the Company's profit distribution policy:*

- (1) The Company shall take full account of return to investors and distribute dividend in the sum of stipulated proportion of the Company's distributable profit for the year concerned.
- (2) The Company's profit distribution policy shall maintain continuity and stability in the interest of the Company in the long term and that of all Shareholders as a whole and in line with the sustainable development of the Company.
- (3) The Company gives priority to profit distribution in cash. The Company shall take various factors into account, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, to propose a differentiated policy for distributing cash dividend pursuant to the procedures stipulated in the Articles of Association. The proportion of cash dividend to profits of the year shall be determined in compliance with the laws, regulations, regulatory documents and rules of the stock exchange(s).

2. *The particulars of the Company's profit distribution policy are set out as follows:*

- (1) Forms of profit distribution: the Company may distribute its profit in the form of cash, shares or a combination of cash and shares. Subject to conditions, interim profit distribution may be made by the Company.
- (2) Specific conditions and ratios for distributing cash dividend by the Company

The objective of cash dividend policy is residual dividends.

If the Company records profit and positive accumulated undistributed profit, the Company shall distribute dividend in cash, and the profit distributed in cash per annum shall not be less than 15% of the realized distributable profit of the Company for that year.

When one of the following circumstances occurs, the distribution of profits may not be made:

- ① The net operating cash flow of the Company is negative for that year;
- ② When the audited report for the most recent year contains a qualified opinion or an unqualified opinion with a paragraph on material uncertainties relating to going concern;
- ③ Other circumstances where cash dividend in the sum of less than 15% of the realized distributable profit of the company is approved by the Shareholders in a General Meeting, including but not limited to no cash dividend distributed due to the plans of the Company for financing significant investments within the next twelve months. The criterion for such significant investments is: total investment budget for the second half year exceeds 15% of the Company's net assets as stated in the consolidated financial statements.

- (3) **Specific conditions for distributing dividends in shares by the Company:**

Where the Company's business is in a sound condition, and the Board considers that the stock price of the Company does not reflect its Share capital and distributing dividend in shares will be in the interest of all shareholders of the Company as a whole, the Company may propose dividend distribution in shares, provided that the above conditions for cash dividend are fulfilled.

3. *Procedures for considering the dividend distribution plan of the Company:*

- (1) The profit distribution plan of the Company shall be studied by the president's office and Party Committee before submitting to the Board of Directors of the Company for consideration. The Board of Directors shall thoroughly discuss the reasonableness of the profit distribution plan, formulate a special resolution, and then submit it to the GENERAL Meeting for consideration. Prior to the consideration of cash dividends distribution plan at the general meeting, the Company shall proactively communicate with its Shareholders, in particular, minority Shareholders, through various channels to receive opinions and request of those minority Shareholders and respond to their concerns in a timely manner.
- (2) The Board shall carefully review and justify the timing for the distribution of cash dividends by the Company, the conditions and minimum proportion, conditions of adjustment and decision-making procedures and other matters.
- (3) Where the Company resolves not to distribute cash dividend under the circumstances as specified in Article 174, the Board of Directors shall explain the specific reasons for not distributing cash dividend, the exact purpose for the retained profit and the estimated investment return, submit such to the Shareholders' Meeting for consideration, and disclose the same in the designated media of the Company.

4. *The Company's 2025 Profit Distribution Proposal:*

In 2025, MCC's consolidated net profit attributable to the owners of the parent amounted to RMB1,321.7683 million, and the undistributed profit of MCC's parent company at the end of the period was RMB-2,785.1511 million. As the distributable profit in MCC's parent company financial statements was negative as at the end of 2025, the conditions for cash dividend distribution are not satisfied. Accordingly, MCC proposes not to declare or distribute any cash dividend for the year 2025.

(II) **Special explanation of cash dividend distribution policy**

- | | | |
|--|---|-----------------------------|
| Whether to comply with the provisions of the Articles of Association or the requirements of the resolutions of general meetings | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Whether the standard and proportion of dividends are explicit and clear | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Whether relevant decision-making procedures and mechanisms are adequate | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Whether the independent Directors have performed their duties and played their due roles | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Whether small and medium shareholders have the opportunity to fully express their opinions and appeals, and whether their legal rights and interests have been fully protected | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

(III) **If no cash dividend distribution plans were proposed while the Company was profitable and there were profits of the parent company distributable to Shareholders during the Reporting Period, the Company shall disclose in detail the causes thereof as well as purpose and use plan of the undistributed profit**

- Applicable Not applicable

(IV) **Plan for profit distribution and transfer of capital reserve to share capital for the Reporting Period**

- Applicable Not applicable

(V) Cash dividend for the latest three accounting years

Unit: RMB'000

Cumulative cash dividends for the latest three accounting years (tax inclusive) (1)	2,652,623
Cumulative amount repurchased and canceled for the latest three accounting years (2)	0
Cumulative amount of cash dividends and repurchases and cancellations for the latest three accounting years (3)=(1)+(2)	2,652,623
Average annual net profit for the latest three accounting years (4)	5,579,376
Proportion of cash dividends for the latest three accounting years (%) (5)=(3)/(4)	47.5
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the latest accounting year	1,321,768
Undistributed profit at the end of the parent company's statement for the latest accounting year	(2,785,151)

XIII. EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACT**(I) Relevant equity incentive events disclosed in interim announcements without further development or change in subsequent implementation**

Applicable Not applicable

(II) Incentive events not disclosed in interim announcements or with subsequent progress

Equity incentives

Applicable Not applicable

Other explanations:

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

Other incentive measures

The Company encouraged its subsidiaries to take into account their own circumstances and launch medium and long-term incentives for their scientific and technical backbones. During the Reporting Period, CISDI (Chongqing) Information Technology Co., Ltd. (a subsidiary of the Company) continued to promote employee shareholding-related work in accordance with laws and regulations.

(III) Equity incentives granted to Directors and Senior Management during the Reporting Period

Applicable Not applicable

(IV) Appraisal Mechanism for Senior Management and Establishment and Implementation of Incentive Mechanism during the Reporting Period

The appraisal of senior management of the Company is mainly carried out by taking into account the Company's operating results, personal capabilities, work performance and service attitude. The Board completes the appraisal of operational performance of senior management combined with annual performance appraisal results for enterprises. Meanwhile, the remunerations of senior management are determined pursuant to the appraisal.

XIV. AUDITING INSTITUTION AND ITS REMUNERATION

The Company appoints Deloitte Touche Tohmatsu as the annual auditor of the Company. In addition to the annual financial auditor, Deloitte Touche Tohmatsu also provides internal control audit services related to financial reports and financial statutory audit services for some domestic subsidiaries.

For details of the remuneration of the independent auditor in 2025, please refer to "VI. Appointment and Dismissal of Accounting Firm" on pages 120 of this report.

XV. INFORMATION DISCLOSURE AND INVESTOR RELATIONS

During the Reporting Period, the Company attached great importance to information disclosure work, strictly adhered to the updated regulations and requirements of the listing rules of the place where its shares are listed, and conscientiously fulfills its information disclosure obligations. Meanwhile, the Company constantly innovated the content and form of disclosure, and streamlined and optimized the information disclosure process in an all-round way, and continued to improve the quality of its information disclosure. In 2025, the Company regulated and disclosed a total of 293 announcements in both English and Chinese, including 110 announcements on the SSE, 113 announcements in Chinese and 70 announcements in English on the Hong Kong Stock Exchange. The contents cover various aspects such as performance and operating information, connected transactions, external guarantees, dividend distribution, sale of assets, share repurchase and so on, realizing the truthfulness, accuracy, completeness, timeliness and fairness regarding the disclosure of information. In 2025, the Company was rated Class A (the top class) Listed Company for SSE Information Disclosure for the ninth consecutive year.

The Company diligently advances investor relations management in alignment with strategic development requirements. Guided by the principles of highlighting core strengths and communicating long-term investment value, it actively builds efficient communication channels with capital markets while continuously developing a unique investor relations framework that combines professional depth. Through multidimensional, routine market engagement and value communication, the Company continuously enhances its influence and recognition in the capital markets, which injects capital momentum into the Company's transformation and upgrading efforts, effectively boosting the effectiveness of market capitalization management and supporting high-quality corporate development.

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During the Reporting Period, the Company participated in various brokerage strategy meetings, convened telephone communication meetings and received visiting institutional investors for a total of more than 70 times, and communicated directly with more than 300 institutional investors and nearly 1,000 small and medium investors. On the basis of regular performance announcement and daily communication, the Company held two periodic results presentations, one special-topic investor presentation and multiple performance roadshows, which were conducted through multi-media platforms such as video, telephone and the SSE Roadshow Center, covering both online and offline. The Company had extensive and in-depth communication with investors, analysts and financial media. In addition, the Company attended the “Collective Results Briefings of Listed Companies of Minmetals (五礦控股上市公司集體業績說明會)” organised by its controlling shareholder, China Minmetals, at the end of September, which enhanced the Company’s brand influence in the capital market. During the Reporting Period, the Company was selected into the “2025 Best Practice Cases for Sustainable Development” and “Best Practice Cases for Annual Performance Briefings” by the China Association for Public Companies. It also won industry investor relations awards including the “Best IR Hong Kong Stock Company” at the 8th New Fortune Awards, the “2025 Best ESG Practice Award for Listed Companies” and the “Excellent Investor Relations Construction Award for Listed Companies” by Yidong (易董).

XVI. RIGHTS OF SHAREHOLDERS

To safeguard the statutory rights of Shareholders, Article 56 of the Articles of Association of the Company prescribes that the Shareholders holding more than 10% of the Company’s Shares either independently or collectively may request an extraordinary general meeting in writing. Article 61 of the Articles of Association of the Company prescribes that, when a general meeting is convened, the shareholders holding more than 1% of the Company’s shares, either independently or collectively, are entitled to table a proposal to the Company in writing, and the Company shall include in the agenda those matters which are within the scope of duties of the general meeting. Shareholders holding more than 1% of the Company’s shares, either independently or collectively, may submit a temporary proposal to the convener in writing 10 days prior to the convening of the general meeting. The Company set an exclusive session for communication with Shareholders at general meeting, during which Shareholders can raise their concerns and suggestions. Shareholders can also lodge their enquiries and suggestions through three methods: investor relations hotline (+86-010-59868666), by investor relations fax (+86-010-59869033) or investor relations email (ir@mccchina.com).

The Board of the Company provides guidance on the investor relations management, continuously communicates with shareholders and investment institutions and regularly checks the effectiveness of investor relations. The Company carries out investor relations management through multiple platforms and channels, and communicates with investors through various means, such as the channels including the Company’s official website, new media platforms, telephone, fax and e-mail, the third-party network infrastructure platforms including www.investor.org.cn, and the Stock Exchange Roadshow Center, special investor events including general meetings, investor presentations, roadshows, reverse roadshows, analyst presentations, reception and research activities, and attending strategy meetings and forums organized by brokerages, investment institutions, financial media and other social organizations.

In compliance with the information disclosure rules, the Company makes sufficient communication and consultation with investors through various means when formulating major proposals involving Shareholders’ rights and interests. The time, place and manner of the general meeting of the Company facilitate the participation of Shareholders, especially the small and medium-sized Shareholders, and provide the necessary time for investors to speak, raise questions and communicate with the Directors and senior management of the Company. The Company consults widely before the general meeting and collects hot issues of high concern to investors in advance, and provides the means of online voting. The Company adjusts and reviews the rules and procedures of the general meeting regularly in accordance with the regulatory rules to ensure that they meet the needs of Shareholders.

The Board has reviewed the implementation and effectiveness of the Shareholder Communication Policy during the Reporting Period and has considered it to be effective.

XVII. COMPANY SECRETARIES

Mr. Chang Qi is the current secretary to the Board of the Company. Mr. Chang Qi and Ms. CHU Pik Man are the current joint company secretaries of the Company, and Mr. Chang Qi is also the main internal contact person of the Company. For details of profile of Mr. Chang Qi, please refer to page 81 of this report. Biographical details of Ms. CHU Pik Man is as follows: Ms. CHU Pik Man is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited. Ms. Chu is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Chu holds a bachelor's degree of Business Administration. (Honours) in Corporate Governance from Hong Kong Shue Yan University.

For the purpose of complying with Rule 3.29 of the Hong Kong Stock Exchange Listing Rules, Mr. Chang Qi and Ms. Ng Sau Mei attended relevant professional training for not less than 15 hours for the year ended 31 December 2025.

XVIII. THE ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

(I) Construction and implementation of internal control system

During the Reporting Period, the Company fully implemented the decisions and deployments of the Central Committee of the Communist Party of China, closely adhered to the work requirements of the "Management Standardization Year" and the concluding objectives of the "Three-Year Action for Enhancing Fundamental Management", anchored its efforts toward the "One goal, Two best, Five strengths" strategic goal, and systematically advanced the development and implementation of internal control systems, with a focus on "institutional standardization, standard process orientation, and process informatization". On one hand, the Company revised and issued the "Management Measures for Rules and Regulations", establishing management principles of "categorization, stratification, and grading", and building a closed-loop management mechanism for the full lifecycle. During the year, 13 new systems were established, 41 systems were revised, and 57 systems were abolished in core business areas, continuously optimizing and improving the institutional system. On the other hand, formal revisions were carried out on 344 existing systems, uniformly adding information tables, standardizing naming rules for systems at various levels, updating institutional names and responsibilities, and simultaneously promoting the establishment of supporting flowcharts for systems as required, achieving a flowchart drawing rate of 50%. Through the development of "standardization, version control, and informatization", the regulatory effectiveness and management efficiency of the systems have been significantly enhanced. In addition, the Company conducted multi-level training and promotion activities for its systems, focusing on key control points and common operational pitfalls. Through diverse methods such as centralized learning and interactive exchanges, the Company implemented top-down system training to embed the principles of the systems deeply within the organization, closely integrated the development of the institutional system with the rectification of inspections by the Central Committee of the Communist Party of China, the rectification of economic responsibility audits, and the special action for "Management Standardization Year", and carried out a comprehensive self-inspection of system implementation, to ensure precise alignment between system design and actual business.

The Company continued to advance the construction of internal controls in key areas in depth, solidifying the defense line for compliant operations. In terms of corporate governance, through in-depth research on various requirements of state-owned assets supervision and securities regulation, and considering the Company's actual situation, the Company amended over 10 core governance systems including the Articles of Association, and simultaneously sorted out and improved the "three lists and one process", further clarifying the rights and responsibility boundaries of governance entities, and ensuring standardized and efficient operation of corporate governance. In terms of investment management, the Company revised and issued eight systems including the Investment Management Regulations, to effectively prevent investment risks and enhance the scientific nature and quality of investment decisions. In terms of financial management, the Company studied and formulated the Management Measures for Registered Write-Off Asset and other systems, and improved the management mechanisms for asset impairment provisions and financial write-offs, effectively enhancing the quality of accounting information and building a solid barrier for asset safety. In terms of safety production, the Safety Production Responsibility List was issued, and the "MCC Leadership Duty" mini-program was innovatively developed and fully implemented in third-tier subsidiaries. The duty content was refined according to leadership responsibilities, strengthening safety control in key areas such as mines, and consolidating the primary responsibility for safety production through digital means. Meanwhile, specialized systems were introduced in critical areas such as legal compliance, and technology management to fill control gaps, plug management loopholes, and promote the continuous optimization and upgrading of the internal control system, thereby laying a solid foundation for the Company's compliant operations.

(II) Procedures used to identify, assess and manage significant risks

The Company regularly conducts identification, evaluation and corresponding actions for risks. The Company seriously analyzes its situation within the industry on the basis of the study and judgement of the general domestic and international macro-economic situation annually and conducts relevant risk management actions by phases according to the strategic objectives and control requirements. Risk identification stage: pursuant to the requirements of the Guideline on Comprehensive Risk Management for State Enterprises (《中央企業全面風險管理指引》), the Company organized all departments and subsidiaries to collect relevant information on risks systematically on an on-going basis. In accordance with the risk categorization framework of the SASAC and the normative requirements of internal guidance on risk management, the Company conducted risk identification and reorganization procedures to identify internal and external risks affecting operating targets. Risk analysis stage: it clearly defined and described identified risks and their characteristics, assigning responsibility to relevant departments. Risk evaluation stage: it adopted qualitative and quantitative methods to evaluate the "probability" and "impact severity" of risk events across five matters such as financial impact, quality, safety, health and environmental protection, strategic and operational objectives, group reputation and environment. Risk responding stage: based on the principle of balancing risk and reward, it established risk solutions or contingency plans through measures such as risk confrontation, risk prevention, risk mitigation and risk transformation, allocated resources appropriately, defined clear work procedures, and periodically reviewed and analyzed the effectiveness and appropriateness of established risk response plans. It optimized and improved response plans accordingly to ensure effective risk management and control.

To implement the guiding principles of General Secretary Xi Jinping's important speech at the provincial and ministerial-level seminar, the Company has strengthened its bottom-line thinking and maintained a risk-oriented approach. In 2025, for the first time, the Company conducted its annual major risk assessment through anonymous questionnaires. Following internal approval procedures, potential major risks for the year were identified. Based on the four-mechanism management framework for risk prevention and control, the Company refined its "risk analysis mechanism, decision-making risk assessment mechanism, risk prevention and control coordination mechanism, and risk prevention and control accountability mechanism" to develop a major risk management plan. Responsibilities were assigned to specific departments, and practical risk control measures were formulated.

(III) The main features of the risk management and internal control system

The Company implements a hierarchical classification of risks, standardizes the establishment of a risk management and internal control organization system. Based on the Guideline on Comprehensive Risk Management for State Enterprises (《中央企業全面風險管理指引》) published by the SASAC, the Company starts from the top-level design, follows the principle of “hierarchy and classification”, clarifies the boundaries of risk management responsibilities at each level, strengthens the main responsibilities of risk management, promotes internal control work, and unites the evaluation and supervision forces to form a risk management system that is “horizontal to the edge and vertical to the end”. The Company focuses on strengthening the top-level design of risk management, enhances the monitoring of major risks and special risks, and formulates annual guidance on comprehensive risk and internal control management at the beginning of the year to clarify annual work objectives, refine work requirements and implementation paths. Based on the business characteristics of the main business segment, the Company monitors the disposal progress of special risks on a monthly basis, tracks the annual changes in major risks and the implementation of countermeasures on a quarterly basis, and evaluates the overall risks of the Company in combination with the control of major risks of its subsidiaries, and forms corresponding risk management reports to ensure that the risks are identifiable, controllable and tolerable. The Company strengthens the dynamic assessment of risks and carries out dynamic and special risk assessment in a timely manner according to the changes in the internal and external environment, and identifies and evaluates the impact of changes in the internal and external environment on the achievement of the Company’s business objectives in a timely manner and formulates targeted countermeasures. In order to effectively cope with the impact of the external environment, the Company promptly arranges relevant departments to carry out a dynamic assessment of special risks with comprehensive analysis, rapid evaluation, detailed measures, and clarification of responsibilities, and studies and formulates risk prevention and control plans and relevant risk contingency plans in advance. Meanwhile, the Company strengthens risk process monitoring, pays close attention to abnormal risk signs related to its business, and activates emergency procedures promptly for unexpected risk signs or risk events to ensure that risks are under control.

(IV) Procedures for reviewing the efficiency of risk management and internal control systems and for addressing material internal control deficiencies

The Board assesses the effectiveness of the internal monitoring and control systems of the Company at least once a year, and comes to a complete inspection conclusion during the year. The procedures of reviewing the effectiveness of internal control systems includes: formulating the plan for evaluation of work, forming evaluation team, implementing on-site testing, identifying control defects, aggregating evaluation results and compiling evaluation reports, etc. The Company authorizes the audit department to be responsible for specific implementation of the evaluation of internal control. After a comprehensive analysis of internal control defects, the Company gives opinions, and makes a final confirmation in accordance with the scope of authority and procedures after review, and classifies the defects as significant defects, important defects and general defects based on the level of impact. The confirmation proposed will be presented to the Board and operation meeting in the form of written report, and the significant defects will be finally confirmed by the Board.

Procedures for addressing material internal control deficiencies: The Company will adopt timely countermeasure strategies for identified material deficiencies and will endeavour to keep the risks within tolerable limits. In the event that significant asset losses or other serious adverse consequences are caused, accountability will be pursued in accordance with laws and regulations.

(V) Procedures and internal control measures for managing and releasing insider information

The Company strictly performs information gathering, studying, preparation of announcements and disclosure approval procedures to ensure the compliance of information disclosure based on laws in accordance with the regulatory requirements and corporate management system such as the Management System of Information Disclosure of MCC (《中國中冶信息披露管理制度》) and Measures for the Administration of Information Disclosure of MCC in the Stock Market (《中國中冶股票市場信息披露管理辦法》). Meanwhile, the Company also formulated Measures for Managing Insider Information of MCC (《中國中冶內幕信息管理辦法》), and established the inside information insider registration, filling and reporting system, requiring the inside information insider to truthfully and completely record the inside information at the stage of deliberation planning, demonstration consultation, contract conclusion, reporting, transmission, preparation, review, resolution, disclosure for prompt registration, filling and reporting, and supervise the confidentiality obligation to be strictly fulfilled by the insiders.

(VI) Establishment of internal review function

The Company has established an internal audit function which analyzes and independently evaluates the adequacy and effectiveness of the internal monitoring and control systems of the Company and reports to the Board at least once a year. MCC has, in practice, started the supervision and evaluation as well as defect rectification inspection of internal control pursuant to the plan on evaluation of work and standard of evaluation in order to ensure the defects are rectified properly. Meanwhile, the subsidiaries are required to conduct annual self-evaluation and special evaluation work in order to provide the base for the issue of internal control evaluation report. The review period of internal control system covered is from 1 January 2025 to 31 December 2025.

The Board considers that the current risk management and internal monitoring and control systems are adequate and effective, in particular, with respect of financial reporting and compliance with the Listing Rules.

Explanation on material defects in internal control during the Reporting Period

Applicable Not applicable

No material defect has been discovered in the internal control of the Company during the Reporting Period.

XIX. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

MCC has continued to improve its corporate governance system and internal control system, and launched scientific and systematic control over its subsidiaries. In terms of the corporate governance system, the Company strictly complied with relevant national laws and regulations, and formulated the “three lists and one process” in conjunction with the strategic planning and operational reality of the enterprise, clearly defining the core control matters of its subsidiaries, and clarifying the management boundaries and responsibilities. In terms of the internal control system, the Company has continued to strengthen the construction of the system and established an internal control system covering various key areas such as finance, investment, manpower, safety and project management, and has strictly implemented and enforced the system to realise effective control over its subsidiaries.

Risk warning regarding abnormalities in management and control over subsidiaries

Applicable Not applicable

XX. RELEVANT EXPLANATIONS ON THE AUDIT REPORT OF INTERNAL CONTROL

The type of the internal control audit report disclosed is standard unqualified opinion. Deloitte Touche Tohmatsu Certified Public Accountants LLP has issued the internal control audit report for the Company and is of the opinion that as at 31 December 2025, the Company maintained an effective internal control over its financial report in all material aspects pursuant to the Basic Standards for Enterprise Internal Control (《企業內部控制基本規範》) and relevant requirements. The full text of the Company's "2025 Internal Control Evaluation Report" is detailed in the relevant announcements disclosed by the Company on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 31 March 2026, the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) on 30 March 2026 and the Company (<http://www.mccchina.com>).

According to the audit report of internal control issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the Board has inspected the internal monitoring and control systems of the Company and its subsidiaries, and is of the view that they are still effective.

The internal control audit report issued by the accounting firm is consistent with the internal control evaluation report of the Company.

Whether the Company had disclosed its internal control audit report: Yes

Type of opinion of the audit report of internal control: Standard unqualified opinion

Whether a non-standard internal control audit opinion was issued for the Reporting Period or the previous year:

Yes No

XXI. RECTIFICATION OF SELF-INSPECTION PROBLEMS IN THE SPECIAL ACTION ON GOVERNANCE OF LISTED COMPANIES

In accordance with the requirements of the Announcement on Carrying out Special Actions on Governance of Listed Companies of the CSRC, the Company carried out special actions on governance of listed companies, and had completed the rectification of all the self-inspection problems.

XXII. CHANGES IN ARTICLES OF ASSOCIATION

On 29 April 2025, the Resolution on the Amendments to the Articles of Association was considered and approved at the 72nd meeting of the third session of the Board of MCC, at which the amendments to the Articles of Association of Metallurgical Corporation of China Ltd. was approved and was submitted to the Company's general meeting for consideration. On 30 June 2025, Metallurgical Corporation of China Ltd. convened the 2024 annual general meeting by way of a combination of physical and online meeting, at which the Resolution on the Amendments to the Articles of Association was approved (For details of the specific amendments to the Articles of Association, please refer to the relevant announcements disclosed by the Company on 29 April 2025 and 30 June 2025, respectively).

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

At the end of the Reporting Period, the environmental information on the major subsidiaries of the Company that are included in the list of enterprises required to disclose environmental information according to the law within the scope of the Company’s consolidated financial statements is as follows:

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

No.	Company name	Index for querying environmental information disclosure reports according to the law
1	CISDI Equipment Co., Ltd.	http://183.66.66.47:10001/eps/index/enterprise-more?code=91500116787457556K&uniqueCode=6ebbb00527c4c1df&date=2025&type=true&isSearch=true
2	MCC-SFRE Heavy Industry Equipment Co., Ltd	http://113.140.66.227:11077/#/noLogin/enterprise-details?qyid=2368aba9-2f0d-4c56-89e6-67dc11900810&year=2025
3	WISDRI Handan Wupeng Furnace Lining New Material Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpld=6A291F56-1B22-4475-A7B4-39A42D3E9287&year=2025&reportId=b4e4a40e-a240-473f-a484-76521af5ac18&isWeb=%E5%90%A6
4	MCC Group (Chengdu) Steel Structure Technology Co., Ltd.	https://103.203.219.138:8082/eps/index/enterprise-more?code=91510185MA65YPMQ92&uniqueCode=f6c0ae10ab7fad5f&date=2024&type=true&isSearch=true
5	MCC (Shanghai) Steel Structure Technology Corp., Ltd.	https://e2.sthj.sh.gov.cn/xhyf/system/hjpl/lbsbgIndex.jsp
6	Laian MCC Huatian Water Affairs Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&entpld=20251742863777399&type=1
7	Laian MCC Huatian Water Affairs Co., Ltd. (Chahe Sewage Treatment Plant)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%28%E6%B1%8A%E6%B2%B3%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%29&entpld=20251742863806746&type=1
8	Tianchang MCC Water Affairs Co., Ltd. (Yangcun Town Sewage Treatment Plant in Tianchang City)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%28%E5%A4%A9%E9%95%BF%E5%B8%82%E6%9D%A8%E6%9D%91%E9%95%87%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpld=20251742868732773&type=1
9	Tianchang MCC Water Affairs Co., Ltd. (Tianchang Economic Development Zone Wastewater Treatment Plant)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E6%BB%81%E5%B7%9E%E9%AB%98%E6%96%B0%E5%8C%BA%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpld=20251742887358353&type=1

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No.	Company name	Index for querying environmental information disclosure reports according to the law
10	Tianchang MCC Water Affairs Co., Ltd. (Tianchang Wastewater Treatment)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E5%A4%A9%E9%95%BF%E5%B8%82%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpid=20251742866890662&type=1
11	Tianchang MCC Water Affairs Co., Ltd. (Tongcheng Town Sewage Treatment Plant in Tianchang City)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%28%E5%A4%A9%E9%95%BF%E5%B8%82%E9%93%9C%E5%9F%8E%E9%95%87%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpid=20251742866968408&type=1
12	Tianchang MCC Water Affairs Co., Ltd. (Qinlan Town Sewage Treatment Plant in Tianchang City)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%A4%A9%E9%95%BF%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E5%A4%A9%E9%95%BF%E5%B8%82%E7%A7%A6%E6%A0%8F%E9%95%87%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpid=20251742866917315&type=1
13	Chuzhou MCC Huatian Water Affairs Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%BB%81%E5%B7%9E%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&entpid=20251742871951787&type=1
14	Ma'anshan MCC Water Service Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E9%A9%AC%E9%9E%8D%E5%B1%B1%E5%B8%82%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&entpid=20251742890871082&type=1
15	Dingyuan MCC Water Affairs Co., Ltd. (Dingyuan Maqiao Sewage Treatment Plant)	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E5%AE%9A%E8%BF%9C%E5%8E%BF%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E5%AE%9A%E8%BF%9C%E5%8E%BF%E9%A9%AC%E6%A1%A5%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpid=20251742891895804&type=1
16	Qinhuangdao Funing MCC Water Service Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpid=A8B1F7CD-221A-4B5C-BD26-D7F37573CD61&year=2025
17	MCC Qinhuangdao Water Affairs Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpid=38EC06FA-EE07-410F-9124-CC2A40D1CB87&year=2025
18	Xinglong MCC Water Affairs Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpid=7E85DDAF-6051-43DA-AB51-E87668412659&year=2025
19	Shouguang MCC Water Affairs Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370783797337187J
20	Shouguang Chengbei MCC Water Affairs Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=9137078369314062XQ

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No.	Company name	Index for querying environmental information disclosure reports according to the law
21	Fuzhou Changle District MCC Water Affairs Co., Ltd.	http://220.160.52.213:10053/idp-province/#/enterprise-overview?enterName=%E7%A6%8F%E5%B7%9E%E5%B8%82%E9%95%BF%E4%B9%90%E5%8C%BA%E4%B8%AD%E5%86%B6%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&ifYearReport=1&ifTempReport=0
22	Baoxie Wastewater Treatment Plant of MCC Wuhan Water Affairs Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=73979e45-39e0-4fae-9d9e-601b6671c1fa&XH=1677832883597009895936&year=2025
23	Zuoling Wastewater Treatment Plant of MCC Wuhan Water Affairs Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=dce44780-6b22-4f1e-bf74-9999113663f4&XH=1677832879700009895936&year=2025
24	MCC Water Affairs (Macheng) Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=d465bb71-1103-4532-a89a-4fb2f46ada3c&XH=1743650772545026173440&year=2025
25	MCC Water Affairs (Zhuxi) Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=5f96a6f0-7041-4846-bdb9-1e931c9d5723&XH=1677750508150009244672&year=2025
26	Huangshi MCC Water Affairs Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=3724ceb7-a4b0-4d00-9213-8a556804f5a6&XH=1682677515160029335552&year=2025
27	Beijing Zhongshe Water Treatment Co., Ltd.	https://hjxxpl.bevoice.com.cn:8002/home
28	Lanzhou Zhongtuo Water Service Co., Ltd.	https://zwfw.sthj.gansu.gov.cn/revealPubVue/#/discloseDetail?name=%E5%85%B0%E5%B7%9E%E4%B8%AD%E6%8A%95%E6%B0%B4%E5%8A%A1%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&pkid=CB394E6316AC45078860BED3210FCBCA&xxplid=XXPL12026020215381091620100681545590R&plx=1
29	Changzhou ENFI Water Affairs Co., Ltd.	http://ywxjt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp//web/viewRunner.html?viewId=http%3A%2F%2Fywxjt.sthjt.jiangsu.gov.cn%3A18181%2Fsparchive-webapp%2F%2Fweb%2Fsp%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&versionId=BFEE7A5A813C4A48844603363E517603&spCode=3204120202010185&validate=CN31_i.KNC3ZmYIP6VROGIJzv_HlxStC9jMtrmM0crFNblmmIDU_Upqc0Zr3AVHpmvRERIEjKZCyd8c5tHglUVKYkqCr1TXVC6IEdb3K19SjDhMnE4L8lr1NaAosWlTnXWyouFsXAv3BFntORUyUWxQQqafFyblZgSURJb_MIFpLmX1k*SAZZm.flwsZsLUDz_lqo36OPaS5YEUJdkI3*KTxcw0tv51QanXl1yGDFKphA9F9Rf hBRzWuSuSM49WyVxEjbYmUmbVXE3WUsqAKw3Ec5tEWjRLQF5m8E_zroGVJIFKrfkSORQyEVQRThTUZ4ng9s.vHIZ6xWKuhK39Riwfuo6V3UnhAiGloMny31M2OrakziSwBjr5wddx3r_fj1IN*U1OI5apNAi*RzjvVelua5TT6Yqs_we95VdFwnrGT4a8sXRs3DjJuLgOQWTzIpg6vaQCftrLedrrbozQMMv osxgVufnH8.MOau1nTcNIJaL_UL*EVRuGGmPfvLtvwRLGj9NJ4QY77_v_i_1&year=2025
30	Xiaogan Zhongshe Water Service Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=c241e560-4804-4a77-bbe2-3b93b9a35292&XH=1677750565854009244672&year=2025

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No.	Company name	Index for querying environmental information disclosure reports according to the law
31	No.1 Wastewater Treatment Plant of Sewage Branch of Wenxian Zhongtou Water Service Co., Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410825MA40GH3X7A002Q
32	No.2 Wastewater Treatment Plant of Sewage Branch of Wenxian Zhongtou Water Service Co., Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410825MA40GH3X7A001V
33	Wuzhi Zhongshe Water Affairs Co., Ltd.	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410823MA47R8800W001V
34	Pingyuan Zhongshe Water Affairs Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?id=91371426MA3RED9G75&comDetailFrom=0
35	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (West Plant)	http://121.29.48.71:8080/#/fill/detail?enpld=4F968816-F9EA-477E-A01A-FD3172BFBFB7&year=2025
36	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (East Plant)	http://121.29.48.71:8080/#/fill/detail?enpld=C7FA0CA4-9AA0-45CD-8CAB-1603D92975FE&year=2025
37	Zhuozhou Zhongshe Environmental Protection Co., Ltd. (Development Zone Plant)	http://121.29.48.71:8080/#/fill/detail?enpld=8F0140D2-2792-4B75-8836-356F92AE0250&year=2025
38	Zhuozhou Zhongshe Water Treatment Co., Ltd.	http://121.29.48.71:8080/#/fill/detail?enpld=26B18B2D-1F69-4039-A70B-433AF9BD2AE5&year=2025
39	No.2 Wastewater Treatment Plant of MCC Huatian (Laian) Water Environment Investment Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E5%8D%8E%E5%A4%A9%E6%B0%B4%E7%8E%AF%E5%A2%83%E6%8A%95%E8%B5%84%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%EF%BC%88%E7%AC%AC%E4%BA%8C%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpld=20251742863835237&type=1
40	Laian Chemical Industry Park Wastewater Treatment Plant of MCC Huatian (Laian) Water Environment Investment Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/companyDetails?name=%E6%9D%A5%E5%AE%89%E5%8E%BF%E4%B8%AD%E5%86%B6%E5%8D%8E%E5%A4%A9%E6%B0%B4%E7%8E%AF%E5%A2%83%E6%8A%95%E8%B5%84%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%20%EF%BC%88%E6%9D%A5%E5%AE%89%E5%8E%BF%E5%8C%96%E5%B7%A5%E5%9B%AD%E5%8C%BA%E6%B1%A1%E6%B0%B4%E5%A4%84%E7%90%86%E5%8E%82%EF%BC%89&entpld=20251742864147598&type=1

Other explanation

Applicable Not applicable

XXIV. SOCIAL RESPONSIBILITY WORK

(I) Whether the social responsibility report, sustainable development report or ESG report are disclosed separately

For details of the sustainable development disclosed separately by Company, please refer to the MCC 2025 Environmental, Social and Corporate Governance and Sustainable Development Report disclosed on 30 March 2026.

(II) Details of social responsibility work

External donations, public welfare projects	Number/content	Explanation
Total investment <i>(RMB'0,000)</i>	419.94	In 2025, the Company made a total of 44 external donations with a total donation amount of RMB4,199,400.
Including: funds <i>(RMB'0,000)</i>	419.94	Domestically, the Company donated RMB2,035,000 to rural areas and charitable federations in Hunan, Anhui, Sichuan and other regions, as well as to universities including Liaoning University of Science and Technology and Yanshan University, to allocate for rural assistance, public welfare initiatives, and educational support; internationally, the Company donated RMB2,164,400 to the localities where the relevant projects are located.
Value of materials <i>(RMB'0,000)</i>	–	–
Number of beneficiaries <i>(persons)</i>	81,533	–

XXV. THE SPECIFIC WORK TO CONSOLIDATE AND EXPAND THE ACHIEVEMENTS IN POVERTY ALLEVIATION AND TO PROMOTE RURAL REVITALISATION

Poverty alleviation and rural revitalisation projects	Number/content	Explanation
Total investment (RMB'0,000)	32,411,100	In 2025, the Company allocated RMB17,905,000 of non-reimbursable assistance funds for targeted help and counterpart support. The total amount of agricultural products purchased from targeted counties and poverty-removed areas for consumer assistance was RMB14,506,100.
Including: funds (RMB'0,000)	RMB17,905,000 was allocated as non-reimbursable assistance; totalling RMB14,506,100 for calling on labor unions at all levels to carry out consumption poverty alleviation.	In 2025, the Company implemented targeted assistance and counterpart support, with non-reimbursable assistance totaling RMB17,905,000, including funds allocated to Dejiang County, Yanhe County and Zhenxiong County for industry, culture, talent and ecology revitalization projects, and RMB3,305,000 allocated to Panzhihua Technician College for implementing the "Mining Heart (礦心)" vocational education programme (supporting 236 students of 2023–2025 cohorts). During the same period, the Company organized its labor union to implement consumption poverty alleviation, procuring agricultural products from assisted regions totaling RMB14,506,100 throughout the year.
Value of materials (RMB'0,000)	–	–
Number of beneficiaries (persons)	Approx. 90,000	Over 15,000 people benefited from industrial and employment poverty alleviation, over 5,000 people from education poverty alleviation and over 70,000 people from consumption poverty alleviation.
Forms of assistance (e.g. industrial poverty alleviation, employment poverty alleviation, educational poverty alleviation, etc.)	Industrial poverty alleviation, employment poverty alleviation, educational poverty alleviation, consumption poverty alleviation	Relying on the Yanhe County Heishui Town Peach and Pear Joy Industry Base (沿河縣黑水鎮桃梨歡喜產業基地) and the Dejiang County Xinjing Collective Economy Citrus Industrial Park (德江縣新景集體經濟柑橘產業園), the industrial poverty alleviation and employment poverty alleviation were carried out; education poverty alleviation was carried out by Panzhihua Vocational and Technical College; and the consumption poverty alleviation was carried out through purchasing agricultural specialties from the counties under assistance.

SIGNIFICANT EVENTS

I. PERFORMANCE OF UNDERTAKINGS

(I) Events of undertakings made by relevant parties such as de facto controllers, Shareholders, related parties and acquirers of the Company and the Company during the Reporting Period or subsisting during the Reporting Period

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in detail	If not performed timely, specify further plans
Commitments made in a report of acquisition or a report on changes in equity	Maintaining the independence of the listed company	China Minmetals	China Minmetals will safeguard the independence of MCC's personnel, assets, finances, organisations and businesses. The commitments continue to be valid, cannot be altered and are irrevocable during the period in which China Minmetals has control over MCC or there is relatively material impact. If there is any breach of the above commitments, China Minmetals shall assume all losses to MCC.	17 February 2016, 13 December 2024	No	Continuing to be valid during the period in which China Minmetals has control over MCC or there is relatively material impact	Yes	-	-
Commitments made in a report of acquisition or a report on changes in equity	Prevention of horizontal competition	China Minmetals	<ol style="list-style-type: none"> In respect of businesses carried out by China Minmetals and other controlled companies which overlap with those of MCC, China Minmetals will, according to its actual situations and the characteristics and development trend of the industry in which it operates, actively adopts different methods such as entrusted management, asset restructuring, equity swap and business adjustment to minimise the business overlap between the two parties. Upon the completion of the acquisition, China Minmetals and its other controlled companies will not, in whatever form, directly or indirectly, engage in new businesses competing with MCC, and will not establish controlling subsidiaries which engage in the same or similar businesses that will constitute substantial horizontal competition with MCC. China Minmetals will supervise its controlled companies and adopt certain measures when necessary. Subject to the above principles 1 and 2 and upon the completion of the acquisition, if the products or services that will be operated by the unlisted subsidiaries controlled by or other unlisted related enterprises of China Minmetals are likely to compete with the main products or services of MCC, China Minmetals will agree that MCC shall be entitled to preferentially acquire the assets in relation to these products or services or 100% equity of China Minmetals in the subsidiaries. MCC shall be entitled to determine the time to request China Minmetals to sell the abovementioned competing businesses at its discretion. China Minmetals will abstain from voting at the Board meeting or general meeting at which MCC reviews whether its new businesses constitute horizontal competition with China Minmetals and whether to exercise the above option right and pre-emptive rights. 						

SIGNIFICANT EVENTS

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not timely, specify the reasons in detail	If not performed timely, specify further plans
			<p>5. China Minmetals undertook that it will strictly comply with the relevant regulations of the CSRC and the SSE, and the Articles of Association and other rules and regulations of MCC, and equally exercise the shareholder's rights and perform the shareholder's obligations. It also undertook not to take advantage of its privileged positions as the substantial shareholder nor impair the legal interests of MCC or other shareholders.</p> <p>The above undertakings will continue to be effective and cannot be changed or revoked during the period in which China Minmetals has control over, or is able to exercise significant influence over, MCC. If there is any breach of the above commitments, China Minmetals shall assume all losses to MCC.</p>	17 February 2016, 13 December 2024	No	Continuing to be valid during the period in which China Minmetals has control over MCC or there is relatively material impact	Yes	-	-
Commitments made in a report of acquisition or a report on changes in equity	Reducing and regulating related transactions	China Minmetals	<p>1. China Minmetals will fully respect the independent legal entity status of MCC and safeguard the independent operation and independent decision-making of MCC.</p> <p>2. To ensure that China Minmetals and other companies or economic organisations under its controlling or de facto control (excluding enterprises controlled by MCC, hereinafter collectively referred to as "Affiliated Enterprises of China Minmetals") will avoid or reduce the occurrence of related transactions with China Minmetals as far as possible in the future.</p> <p>3. In the event of unavoidable or reasonable related transactions between MCC and China Minmetals and its affiliated enterprises in its future business activities, China Minmetals will cause such transactions to be carried out in strict accordance with the relevant national laws and regulations, the Articles of Association of MCC and the relevant provisions of the CSRC, and will sign agreements with MCC in accordance with the law, and make disclosure in a timely manner in accordance with the law; and will ensure that the transactions will be carried out in accordance with normal commercial conditions, the pricing will be fair and that the legitimate rights and interests of MCC and its other shareholders will not be jeopardised by the related transactions.</p> <p>4. China Minmetals and its affiliated enterprises will strictly and in good faith perform the various related agreements entered into between China Minmetals and MCC; China Minmetals and its affiliated enterprises will not seek any benefits or gains from MCC beyond what is provided for in those agreements.</p> <p>The commitments continue to be valid, cannot be altered and are irrevocable during the period in which China Minmetals has control over MCC or there is relatively material impact. If there is any breach of the above commitments, China Minmetals shall assume all losses to MCC.</p>	17 February 2016, 13 December 2024	No	Continuing to be valid during the period in which China Minmetals has control over MCC or there is relatively material impact	Yes	-	-

SIGNIFICANT EVENTS

Background of undertaking	Type of undertaking	Undertaking party	Details of undertaking	Date of undertaking	Whether there is a time limit for performance	Duration of undertaking	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in detail	If not performed timely, specify further plans
Undertakings in relation to non-financial corporate debt financing instruments	Others	MCC	The funds raised from the 2023 Tenth Tranche of Medium-term Notes to Thirteen Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.* are used only for production and operating activities of enterprises that comply with national laws, regulations and policies, and shall not be used for land, real estate, equity, securities, futures and other areas prohibited by national regulations. Funds raised for the current period will be used to meet the liquidity requirements that comply with national laws, regulations and policies, and shall not be used for long-term investment. During the term of above Medium-term Notes, if the uses of funds are changed, the relevant information will be disclosed in a timely manner.	18 August 2023, 23 August 2023, 31 August 2023, 1 September 2023	Yes	The issuance dates to redemption dates	Yes	-	-
Undertakings in relation to non-financial corporate debt financing instruments	Others	MCC	The funds raised from the 2024 First Tranche to Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.* are used only for production and operating activities of enterprises that comply with national laws, regulations and policies, and shall not be used for land, real estate, equity, securities, futures and other areas prohibited by national regulations. Funds raised for the current period will be used to meet the liquidity requirements that comply with national laws, regulations and policies, and shall not be used for long-term investment. During the term of above Medium-term Notes, if the uses of funds are changed, the relevant information will be disclosed in a timely manner.	21 February 2024, 23 February 2024, 14 March 2024, 18 March 2024, 24 July 2024, 7 August 2024, 9 August 2024, 21 August 2024, 22 August 2024, 23 August 2024, 26 August 2024, 27 August 2024	Yes	The issuance dates to redemption dates	Yes	-	-
Undertakings in relation to non-financial corporate debt financing instruments	Others	MCC	The funds raised from the 2025 First Tranche of Medium-term Notes to Sixteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.* are used only for production and operating activities of enterprises that comply with national laws, regulations and policies, and shall not be used for land, real estate, equity, securities, futures and other areas prohibited by national regulations. Funds raised for the current period will be used to meet the liquidity requirements that comply with national laws, regulations and policies, and shall not be used for long-term investment. During the term of above Medium-term Notes, if the uses of funds are changed, the relevant information will be disclosed in a timely manner.	3 March 2025, 20 March 2025, 12 March 2025, 24 March 2025, 27 March 2025, 23 April 2025, 27 April, 22 May 2025, 26 May 2025, 9 June 2025, 17 September 2025, 19 September 2025, 22 October 2025, 25 November 2025, 26 November 2025, 1 December 2025	Yes	The issuance dates to redemption dates	Yes	-	-

SIGNIFICANT EVENTS

(II) When there is profit forecast regarding assets or projects of the Company, and if the Reporting Period remains in the profit forecast period, the Company shall give an explanation of whether such assets or projects have realised the original profit forecast and its reasons

Realised Not realised Not applicable

(III) Performance undertakings

Applicable Not applicable

Changes of performance undertakings

Applicable Not applicable

Other explanation

Applicable Not applicable

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

Applicable Not applicable

III. BREACH OF GUARANTEES

Applicable Not applicable

IV. EXPLANATION ON THE “NON-STANDARD AUDIT REPORT” ISSUED BY THE ACCOUNTING FIRM OF THE BOARD OF DIRECTORS OF THE COMPANY

Applicable Not applicable

SIGNIFICANT EVENTS

V. ANALYSIS OF REASONS AND IMPACT OF ACCOUNTING POLICY, CHANGES TO ACCOUNTING ESTIMATE OR CORRECTION TO MATERIAL ACCOUNTING ERRORS OF THE COMPANY

(I) Analysis of reasons and impact of accounting policy and changes to accounting estimate of the Company

Applicable Not applicable

(II) Analysis of reasons and impact of correction to material accounting errors of the Company

Applicable Not applicable

(III) Communication with former accounting firm

Applicable Not applicable

(IV) Approval process and other explanations

Applicable Not applicable

VI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM

Unit: RMB0'000

	Former Appointment	Current Appointment
Name of domestic accounting firm	Ernst & Young Hua Ming LLP	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration of domestic accounting firm ^{Note}	1,600	2,488
Term of audit by domestic accounting firm	3 years	1 year
Name of certified public accountant of domestic accounting firm	Zhang Ningning, Zhang ying	Chen Wenlong, Zhou Hongyu
Term of accumulative audit services by certified public accountant of domestic accounting firm	Zhang Ningning (3 years), Zhang ying (3 years)	Chen Wenlong(1 year), Zhou Hongyu(1 year)

Note: Remuneration paid to domestic accounting firms includes fees for the review of interim financial reports and the audit of annual financial reports.

	Name	Remuneration
Accounting firm for internal control audit	Deloitte Touche Tohmatsu Certified Public Accountants LLP	230

Description of appointment and dismissal of accounting firm

As approved by the 2024 Annual General Meeting of the Company, the Company has appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP as the auditor of the financial reports of the Company for the year 2025, the auditor of the semi-annual financial report and the auditor of the internal control for the annual audits and interim review of the financial statements of the Company prepared in accordance with PRC GAAP (for details, please refer to the relevant announcements disclosed by the Company on 28 May 2025 and 30 June 2025).

SIGNIFICANT EVENTS

Explanation on change in appointment of accounting firm during the audit period

Applicable Not applicable

Explanation on the reduction of audit fees by 20% or more (inclusive) compared to the previous year

Applicable Not applicable

VII. RISK EXPOSURES TO SUSPENSION OF LISTING

(I) Reasons for suspension of listing risk warning

Applicable Not applicable

(II) Measures proposed by the Company in response to risks

Applicable Not applicable

(III) Situation of and reasons for delisting

Applicable Not applicable

VIII. EVENTS IN RELATION TO BANKRUPTCY AND REORGANISATION

Applicable Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION

The Company had material litigation and arbitration during the year

The Company had no material litigation and arbitration during the year

SIGNIFICANT EVENTS

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

Applicable Not applicable

XI. EXPLANATION ON INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

During the Reporting Period, the Company and its Controlling Shareholder did not fail to fulfill the obligations specified in the effective legal documents of the court or any overdue liability with a relatively significant outstanding amount and was not otherwise involved in any.

XII. MATERIAL CONNECTED TRANSACTIONS

(I) Connected transactions related to day-to-day operation

1. *Events disclosed in interim announcements without further development or change in subsequent implementation*

Overview of the Matter

Query Indexes

At the 70th meeting of the third session of the Board of Directors of the Company convened on 28 March 2025, the Resolution on setting Annual Caps for Daily Related Party Transactions/Continuing Connected Transactions in 2026 was considered and approved, which were agreed that the Company would estimate the relevant caps regarding the daily related party transactions and sign the relevant agreements, and submit the resolutions to the general meeting of the Company for consideration after the prior review of Hong Kong Stock Exchange in accordance with the relevant regulations. On 30 June 2025, the above resolutions were considered and approved at the 2024 annual general meeting of the Company.

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

2. *Events disclosed in interim announcements and with further development or change in subsequent implementation*

Applicable Not applicable

SIGNIFICANT EVENTS

3. Events not disclosed in interim announcements

Unit: RMB'000

Party to connected transaction	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Annual caps for 2025	Price of connected transaction	Amount of connected transaction	Percentage to similar transactions (%)	Payment method for connected transaction	Reason for significant difference between transaction price and reference market price	
										Market price	Market price
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Sales of commodities	Purchase of materials – income	Agreed price	6,300,000	-	3,682,114	16.54	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Purchase of commodities	Purchase of materials – expense	Agreed price	23,200,000	-	6,310,241	5.39	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Provision of services	Engineering construction – income	Agreed price	11,800,000	-	3,758,319	0.95	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Acceptance of services	Engineering construction – expense	Agreed price	2,400,000	-	818,770	0.38	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Acceptance of services	Production and maintenance – expense	Agreed price	200,000	-	3,268	0.04	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Provision of services	Technical and management services – income	Agreed price	2,000,000	-	356,814	1.89	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Acceptance of services	Technical and management services – expense	Agreed price	2,500,000	-	222,834	9.64	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Other inflow	Property leasing – income	Lease contract	200,000	-	16,010	1.97	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Other outflow	Property leasing – expenses	Lease contract	600,000	-	107,808	7.62	-	-	-
CMC Finance Co., Ltd.	Subsidiary of shareholder	Comprehensive credit	Daily maximum balance of provision of comprehensive credit granting to the Company and its subsidiaries by CMC Finance Co., Ltd. Note ²⁷	Agreed price	30,000,000	-	12,110,000	-	-	-	-
CMC Finance Co., Ltd.	Subsidiary of shareholder	Deposits	Daily deposits balance by the Company and its subsidiaries with CMC Finance Co., Ltd. Note ²⁸	Agreed price	15,000,000	-	14,691,019	-	-	-	-
CMC Finance Co., Ltd.	Subsidiary of shareholder	Expenditures	Total charges for provision of financial services to the Company and its subsidiaries by CMC Finance Co., Ltd. Note ²⁹	Agreed price	35,000	-	118	0.03	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Interest expenses	Industrial and financial services – financing costs – financial assistance	Agreed price	1,000,000	-	219,247	0.19	-	-	-
China Minmetals and its subsidiaries (Except MCC)	Controlling shareholder	Expenditures	Industrial and financial services – bond underwriting	Agreed price	330,000	-	325	0.01	-	-	-
Total				/	95,565,000	/	42,296,887	/	/	/	/

Details of return of sold goods in large quantities
Description of connected transaction

Not applicable
Not applicable

SIGNIFICANT EVENTS

- (1) Including but not limited to loans, acceptances and discounts on bills, guarantees, letters of guarantee and opening letters of credit, including accrued interest incurred.
- (2) Including accrued interest incurred.
- (3) Including but not limited to the total amount of agency fees, handling fees, advisory fees or other service fees charged for the provision of advisory, clearing, internet banking, investment, letter of credit, entrusted loans, guarantees, acceptance of bills, letters of guarantee, etc.

In respect of the abovementioned continuing connected transactions, the Company has complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules. During the Reporting Period, in conducting the abovementioned continuing connected transactions, the Company has followed the pricing policies and guidelines determined at the time of entering into transactions.

The Company's Independent Non-executive Directors have reviewed the aforementioned continuing connected transactions and confirmed that these transactions have been entered into:

- (a) in the ordinary course of business of the Company;
- (b) either on normal commercial terms or on terms no less favourable to the Company than those available to or provided from (as appropriate) independent third parties as the Company is concerned; and
- (c) in accordance with the terms of the agreements governing them that are fair and reasonable and in the interests of the Company's Shareholders as a whole.

The Company's auditors were engaged to report on the aforementioned continuing connected transactions of the Company in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their conclusions in respect of the aforementioned continuing connected transactions in accordance with Rule 14A.56 of the Hong Kong Listing Rules, stating that, during the Reporting Period:

- (a) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's Board;
- (b) for transactions involving the provision of goods or services by the Company, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (c) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) nothing has come to the auditor's attention that causes the auditor to believe that the amount of such continuing connected transactions have exceeded the total annual caps set by the Company.

SIGNIFICANT EVENTS

(II) Connected transactions in relation to acquisition of assets or acquisition or disposal of equity

1. *Events disclosed in an interim announcement, yet with no progress or changes in subsequent implementation*

Applicable Not applicable

2. *Events disclosed in an interim announcement with progress or changes in subsequent implementation*

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

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

3. *Events undisclosed in an interim announcement*

Applicable Not applicable

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

Applicable Not applicable

SIGNIFICANT EVENTS

(III) Material connected transactions in relation to joint investment in external parties

1. *Events disclosed in an interim announcement, yet with no progress or changes in subsequent implementation*

Applicable Not applicable

2. *Events disclosed in an interim announcement and with progress or changes in subsequent implementation*

Applicable Not applicable

3. *Events undisclosed in an interim announcement*

Applicable Not applicable

(IV) Related creditors' rights and debt transactions

1. *Events disclosed in interim announcements without further development or change in subsequent implementation*

Applicable Not applicable

2. *Events disclosed in interim announcements with further development or change in subsequent implementation*

As approved at the 80th meeting of the Company's third Board of Directors and the first extraordinary shareholders' meeting in 2025, the Company entered into Equity Transfer Agreements with Minmetals Land Holdings and China Minmetals respectively in December 2025, transferring its 100% equity interest in MCC Real Estate together with related creditor's rights, 100% equity interests in Non-ferrous Engineering, MCC Tongsin Resources and MCC Ramu, as well as 67.02% equity interest in MCC-JJJ Mining (for details, please refer to the relevant announcements disclosed by the Company on 9 December 2025 and 30 December 2025). As at the end of the Reporting Period, in accordance with the aforesaid Equity Transfer Agreements, the Company had received transaction consideration of RMB32,027,701 thousand. However, as the prerequisites for the payment of the remaining consideration in respect of certain underlying assets had not yet been fulfilled, disposal consideration of RMB26,041,658 thousand remained outstanding. Such receivables arising from the disposal of equity interests and related creditor's rights have been included in the connected transactions between the Company and China Minmetals and Minmetals Land Holdings in respect of fund flows during the Reporting Period. As at the date of this report, all such receivables have been fully recovered.

Prior to completion of the above transactions, the aforementioned guarantee provided by the Company shall constitute related party guarantee. China Minmetals or its designated entity shall provide counter-guarantee to the Company for the aforementioned related party guarantee in accordance with the provisions of the Equity Transfer Agreement. As of the end of the Reporting Period, China Minmetals entered into the Counter-Guarantee Agreement with the Company as agreed.

3. *Events undisclosed in an interim announcement*

Applicable Not applicable

SIGNIFICANT EVENTS

(V) Financial business between the Company and its related financial companies and financial business between the Company's holding financial company and its related parties

1. Deposits business

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

Unit: RMB

Related party	Connection	Daily maximum deposit limit	Interest rate range of deposits	Balance at the beginning of the period	Amount for the period		Balance at the end of the period
					Total deposits for the period	Total withdrawal amount for the period	
Minmetals Finance Company	Under common control of China Minmetals	15,000,000,000	0.35%-1.15%	8,337,127,561.87	1,019,332,326,391.06	1,014,923,794,768.64	12,745,659,184.29
Total	/	15,000,000,000	0.35%-1.15%	8,337,127,561.87	1,019,332,326,391.06	1,014,923,794,768.64	12,745,659,184.29

2. Loan business

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

Unit: RMB

Related party	Connection	Loan facility	Interest rate Range of loans	Balance at the beginning of the period	Amount for the period		Balance at the end of the period
					Total loans for the period	Total repayment for the period	
Minmetals Finance Company	Under common control of China Minmetals	13,000,000,000	2.11%	7,600,000,000	7,390,000,000.00	13,200,000,000.00	1,790,000,000.00
Total	/	13,000,000,000	2.11%	7,600,000,000	7,390,000,000.00	13,200,000,000.00	1,790,000,000.00

3. Credit granting business or other financial business

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

Unit: RMB

Related party	Connection	Business types	Total	Actual amount
Minmetals Finance Company	Under common control of China Minmetals	Credit granting	30,000,000,000	1,801,038,437.00

SIGNIFICANT EVENTS

4. *Other explanations*

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

Related party	Connection	Business types	Total	Actual amount
Minmetals Finance Company	Under common control of China Minmetals	Service expenses	35,000,000	118,486.92

XIII. MATERIAL CONTRACTS AND THE PERFORMANCE THEREOF

(I) **Custody, contracting and leasing**

1. *Custody*

Applicable Not applicable

2. *Contracting*

Applicable Not applicable

3. *Leasing*

Applicable Not applicable

SIGNIFICANT EVENTS

(II) Guarantees

Unit: RMB

Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	External guarantees provided by the Company (excluding guarantees provided to subsidiaries)							Whether execution of guarantee has been completed	Is the guarantee expired	Expired amount of the guarantee	Counter guarantee	Whether guarantee is provided to related parties	Connected relationship
			Guaranteed amount	Date of guarantee (Signing date of agreement)	Inception date of guarantee	Expiration date of guarantee	Type of guarantee	Security (if any)							
MCC	Headquarters of the Company	Beijing Zhongshun Jinda Trading Co., Ltd.	350,000,000.00	2024-5-15	2029-5-15	2031-5-15	Joint liability guarantee	Nil	No	No	0	Counter-guarantee provided by China Minmetals	Yes	Yes	
MCC 20	Holding subsidiary	Zhuhai Hengqin Headquarter Building Development Co., Ltd.	302,673,806.43	2023-9-4	2023-9-5	2027-9-5	Joint liability guarantee	Nil	No	No	0	Nil	No	No	
Total amount of guarantees incurred during the Reporting Period (excluding guarantees to subsidiaries)												-129,344,399.96			
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)												652,673,806.43			

Guarantees provided by the Company and its subsidiaries to their subsidiaries

Total amount of guarantees provided to its subsidiaries during the Reporting Period	7,198,058,885.85
Total balance of guarantees provided to its subsidiaries as at the end of the Reporting Period (B)	14,462,531,601.24

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

Total amount of guarantees (A+B)	15,115,205,407.67
Total amount of guarantees as a percentage in the net assets of the Company (%)	9.7%
Including:	
Amount of guarantees provided to Shareholders, the de facto controllers and their related parties (C)	350,000,000
Debt guarantees directly or indirectly provided to guaranteed parties with gearing ratio of over 70% (D)	13,589,155,601.24
Guarantees with the total amount exceeding 50% of the net assets (E)	0
Total amount of guarantees of the three above items (C+D+E)	13,939,155,601.24
Explanation on the potential joint repaying liability arising from outstanding guarantees	Nil

Explanation on guarantees:

As at the end of the Reporting Period, the total outstanding balance of mortgage guarantees provided by the Company's wholly-owned and controlled subsidiaries to purchasers of commercial residential properties amounted to RMB147 million. Such guarantees are provided by the Company's wholly-owned and controlled subsidiaries for mortgage loans obtained by purchasers of commercial residential properties from banks, with the purchased commercial residential properties serving as collateral. These guarantees are necessary for the Company's normal production and operation activities, and the relevant risks arising from providing such guarantees are relatively low.

SIGNIFICANT EVENTS

(III) Entrusting third parties with cash asset management

1. *Entrusted financial management*

(1) Overall entrusted wealth management

Applicable Not applicable

(2) Individual entrusted wealth management

Applicable Not applicable

(3) Provisions for impairment of entrusted wealth management

Applicable Not applicable

2. *Entrusted loans*

(1) Overall entrusted loans

Applicable Not applicable

(2) Individual entrusted loans

Applicable Not applicable

(3) Provisions for impairment of entrusted loans

Applicable Not applicable

(VI) Other material contracts

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

SIGNIFICANT EVENTS

XIV. EXPLANATION ON PROCESS IN USE OF PROCEEDS

(I) Overall Use of Proceeds

Unit: RMB0'000

Source of proceeds	Proceeds availability	Total proceeds	Net proceeds after deduction of issuance expenses ⁽¹⁾	Total promised investment amounts out of proceeds in the prospectuses ⁽²⁾	Total amount of excess proceeds ⁽³⁾⁼⁽¹⁾⁻⁽²⁾	Accumulated investment proceeds as at the end of the Reporting Period ⁽⁴⁾	Including: accumulated investment amount out of proceeds as at the end of the Reporting Period ⁽⁵⁾	Process of accumulated investment of proceeds as at the end of the Reporting Period ⁽⁶⁾⁼⁽⁴⁾⁻⁽⁵⁾	Process of accumulated investment of proceeds as at the end of the Reporting Period ⁽⁷⁾⁼⁽⁵⁾⁻⁽⁶⁾	Investment amount for the year ⁽⁸⁾	Proportion of investment amount for the year ^{(9)=(8)/(7)}	Total proceeds for change of use
Initial Public Offering	14 September 2009	1,897,000	1,835,897.24	1,684,800.00	151,097.24	1,861,660.44	151,097.24	101	100	96,028.20	5.23	579,917.97

Note 1: With the approval of the CSRC, the Company issued 1,613.62 million ordinary shares (A shares) domestically in non-public offering to specific investors in December 2016. The issuance price was RMB3.86 per share, with total funds raised amounting to RMB6,228.57 million. After deducting underwriting and sponsorship fees and other expenses relating to issuance, the net amount of actual proceeds the Company raised was RMB6,173.49 million. As at the end of 2022, the proceeds raised from the above-mentioned non-public issuance of A shares, totaling RMB6,187.79 million, including interest incurred from proceeds deposited in bank, had been fully utilised.

With the approval of the CSRC, the Company issued 3,500 million ordinary shares (A shares) domestically in initial public offering in September 2009. The issuance price was RMB5.42 per share, with total funds raised amounting to RMB18,970 million. After deducting underwriting and sponsorship fees and other expenses relating to issuance, the net amount of actual proceeds the Company raised was RMB18,358.9724 million. As of the end of the Reporting Period, the above proceeds from A share IPO amounting to RMB18,616.6044 million (including interest generated from bank deposits of proceeds) have been fully utilized. Consequently, the Company's all A-share proceeds have been fully utilized, and the capital raising account has been cancelled.

Note 2: The Company raised a total of HKD16.574 billion through its initial public offering of H shares in September 2009; after deducting underwriting and listing intermediary fees, the net proceeds from H shares amounted to HKD15.585 billion. As at the end of the Reporting Period, the aforesaid proceeds from H shares of RMB15,585 million was fully utilized.

Note 3: The above-mentioned investment amount of proceeds includes the interest generated from the special account for the deposit of proceeds.

SIGNIFICANT EVENTS

(II) Details of the Investment Project

1. Use of proceeds

Unit: RMB0'000

Source of proceeds	Project name	Project nature	Whether it is a promised investment project in the prospectus	Whether the change is involved	Total planned investment of proceeds ⁽¹⁾	Investment amount for the year	Accumulated investment amount out of proceeds as at the end of the Reporting Period ⁽²⁾	Process of accumulated investment as at the end of the Reporting Period ^{(3)-(5)(%)}	Date on which project reached expected available status	Whether process of investment is in line with plan	Whether process of investment is in line with plan	Specific reason for process of investment not achieved as planned	Efficiency achieved for the year	Efficiency or R&D results achieved of this project	Whether feasibility of project changes significantly, if yes, please specify	Amount of balance
Initial Public Offering	Afghanistan Aynak Copper Mine Project	Production and construction	Yes	Yes	0 ^(Note 1)	-	0	0	-	Yes	No	-	-	Nil	No ^(Note 1)	0
Initial Public Offering	Ramu nickel laterite mine project	Production and construction	Yes	No	250,000.00	-	250,000.04 ^(Note 2)	100.00%	Completed and put into operation in December 2012, achieved monthly production target in September 2016, and achieved annual production target in 2017	Yes	No	(Note 3)	50,434.33	Designed production capacity of 32,601 tons of nickel and 3,300 tons of cobalt in hydroxide per year has been achieved	No	0
Initial Public Offering	Innovation base project of the National Steel Structures Engineering Technology Research Center	R&D	Yes	Yes, partially changed	41,487.95 ^(Note 4)	-	42,826.56 ^(Note 5)	100.00%	July 2022	Yes	Yes	-	-	Refer to note 5 for details	Yes ^(Note 4)	13,958.15 ^(Note 4)
Initial Public Offering	Acquisition of equipment for engineering and construction and research and development	Others	Yes	Yes, partially changed	187,036.12 ^(Note 6)	-	199,304.73 ^(Note 7)	100.00%	-	Yes	Yes	-	-	None	No ^(Note 6)	312,963.88 ^(Note 8)
Initial Public Offering	The new project on the manufacturing of forged steel rolling mill and the expansion of the hot processing production capacity in Fuping County, Shaanxi Province	Production and construction	Yes	No	64,300.00	-	64,308.53 ^(Note 9)	100.00%	December 2009	Yes	No	(Note 7)	-	The supporting capacity was increased in phases	No	0
Initial Public Offering	Project in CaoFeidian, Tangshan in relation to the production of 500,000 tons of cold bend steel and steel structures	Production and construction	Yes	No	44,000.00	-	44,044.10 ^(Note 10)	100.00%	November 2008	Yes	No	(Note 8)	96.72	Refer to note 8 for details	No	0
Initial Public Offering	Project in relation to an annual production of 400,000 tons of ERW welded pipes by MCC Liaoning Dragon Pipe Industries Co., Ltd. (中冶遼寧德龍鋼管有限公司)	Production and construction	Yes	Yes, partially changed	20,436.04 ^(Note 9)	-	20,667.54 ^(Note 10)	100.00%	October 2011	Yes	No	(Note 10)	-	None	No ^(Note 9)	14,063.96 ^(Note 9)

SIGNIFICANT EVENTS

Source of proceeds	Project name	Project nature	Whether it is a promised investment project in the prospectus		Total planned investment of proceeds ⁽¹⁾	Investment amount for the year	Accumulated investment amount out of proceeds as at the end of the Reporting Period ⁽²⁾	Process of accumulated investment as at the end of the Reporting Period ^{(3)(2017 (%)}	Date on which project reached expected available status	Whether process of investment is in line with plan process	Specific reason for process of investment not achieved as planned	Efficiency achieved for the year	Efficiency or R&D results achieved of this project	Whether feasibility of project changes significantly, if yes, please specify	Amount of balance	
			Whether project in the prospectus is involved	Whether the change is involved												
Initial Public Offering	Project in relation to the production base in Anshan, Liaoning for an annual production of 100,000 tons of quality steel structures (a production line for wind tower tubes)	Production and construction	Yes	Yes	0 ^(Note 1)	-	-	-	-	-	-	-	-	Yes ^(Note 1)	-	
Initial Public Offering	Large multi-ram die forgings and heavy equipment automation industrial base construction project	Production and construction	Yes	Yes, partially changed	39,001.18 ^(Note 1)	-	39,001.18	100.00%	September 2011	Yes	No ^(Note 1)	274.76	Refer to note 12 for details	Yes ^(Note 1)	9,347.83 ^(Note 1)	-
Initial Public Offering	Property development project in Gaochang Town, Pudong	Others	Yes	No	58,800.00	-	58,800.00	100.00%	August 2010	Yes	Yes	-	-	The project achieved a cumulative profit of RMB689,265,300	No	0
Initial Public Offering	Property development project of old town area renovation work (Phase III) in Yuan Yang Town, Jing Kai Yuan, North New District, Chongqing	Others	Yes	No	50,000.00	-	50,683.73 ^(Note 2)	100.00%	August 2013	Yes	Yes	-	141.73	The project achieved a cumulative profit of RMB669,483,600, and received the Chinese Civil Engineering Zhan Tianyou Award and the Excellent Residential Community Gold Award	No	0
Initial Public Offering	Replenishment of working capital and repayment of bank loans	Replenishment of working capital and repayment of loans	Yes	No	929,738.71	96,028.20	940,916.79 ^(Note 2)	-	-	-	-	-	-	-	-	-
Initial Public Offering	Replenishment of working capital and repayment of bank loans by over subscription proceeds	Replenishment of working capital and repayment of loans	Yes	No	151,097.24	-	151,097.24	-	-	-	-	-	-	-	-	-
Total	/	/	/	/	1,835,897.24	96,028.20	1,861,660.44	-	/	/	/	/	/	/	360,333.82	

Notes:

1. Afghanistan Aynak Copper Mine Project: This project is being implemented by MCC Jiangxi Copper Ainaq Copper Mine Co., Ltd., a subsidiary of MCC Tongsin Resources. The original plan was to invest RMB850 million in funds raised through the A-share offering; however, due to the Company's transfer of 100% of the equity in MCC Tongsin Resources during the reporting period, as detailed in the relevant announcement disclosed by the Company on 9 December 2025, following the completion of this transaction, MCC Tongsin Resources and MCC Jiangxi Copper Ainaq Copper Mine Co., Ltd. are no longer included in the Company's consolidated financial statements. Upon deliberation and approval at the Company's First Extraordinary General Meeting of Shareholders held on 29 December 2025, and to enhance the efficiency of fund utilization, it was agreed to use all remaining unallocated proceeds from the project to permanently supplement the Company's working capital. As of the end of the Reporting Period, the entire amount of the aforementioned remaining raised funds, totaling RMB960.282 million, has been fully utilized to supplement working capital.
2. The portion that the actual investment amount exceeds the planned investment amount of the project is the interest generated by the project's corresponding capital raising account.
3. The Ramu nickel laterite mine project has achieved annual production target since 2017.

SIGNIFICANT EVENTS

4. National Steel Structure Engineering Technology Research Centre Innovation Base Project: As considered and approved at the 2010 Annual General Meeting, the Innovation base project of the National Steel Structures Engineering Technology Research Center will change the usage of RMB750 million out of the RMB1.5 billion raised in A shares from investing in the project to permanent replenishment to the Company's working capital (for details, please refer to the relevant announcement disclosed by the Company on 17 June 2011); as approved at the first extraordinary general meeting in 2013, the principal and interest amounting to RMB195 million out of the raised funds to be used after 2014 for the project will be changed to a permanent replenishment to working capital (for details, please refer to the relevant announcement disclosed by the Company on 22 November 2013). As approved at the 2022 Annual General Meeting, the usage of the remaining balance of the raised funds and the interest thereof amounting to RMB140 million for the project will be changed to permanent replenishment to working capital (for details, please refer to the relevant announcement disclosed by the Company on 26 June 2023). The cumulative change of the project amounted to RMB1,085 million.
5. The Innovation Base Project of the National Steel Structures Engineering Technology Research Center has comprehensively upgraded the equipment of five laboratories, including the structural testing laboratory, steel material laboratory, material laboratory, welding laboratory, and testing laboratory. It has also improved the evaluation and testing methods, providing a good platform for conducting basic research, laboratory testing, and inspection analysis, and laying a solid foundation for the successful completion of the establishment and acceptance of the "National Steel Structure Engineering Technology Research Center" and the "National Steel Structure Quality Supervision and Inspection Center". The Innovation Base has systematically carried out research on the application technology of high-strength and high-efficiency steel for steel structures, steel structure design and software technology, energy-saving and environmentally friendly new steel structure enclosure systems, steel structure construction technology, welding application technology for high-efficiency steel, and steel structure engineering testing and health monitoring technology. It has led and undertaken national key research and development projects such as "Key Technologies and Demonstrations for Industrialisation of Steel Structure Construction" and "Key Technologies and Demonstrations for the Application of Highperformance Structural Steel in Buildings".
6. As approved at the first extraordinary general meeting of the Company in 2013, the usage of the remaining balance of the raised funds and interest thereof amounting to RMB3.121 billion for the "Equipment Purchase for Engineering and Construction Business and R&D" will be changed to permanent replenishment to working capital of the relevant subsidiaries (for details, please refer to the relevant announcement disclosed by the Company on 22 November 2013; actual amount of funds whose usage had changed was RMB3.13 billion, with the difference being interest generated after 23 August 2013).
7. The new project on the manufacturing of forged steel rolling mill and the expansion of the hot processing production capacity in Fuping County, Shaanxi Province has been successfully debugged and the trial production process is smooth, but it has not yet reached production target, the revenue cannot be confirmed for the time being.
8. Due to factors such as the saturation of the steel structure market for metallurgical projects and intense market competition, the project in Caofeidian, Tangshan in relation to the production of 500,000 tons of cold bend steel and steel structures has insufficient production capacity, which affected the expected returns. The project in Caofeidian, Tangshan in relation to the production of 500,000 tons of cold bend steel and steel structures has achieved a cumulative economic benefit of RMB26,766,200. The project has reached 42 patents in research and development, mainly including a method for making tree-shaped multi-segment spatial angle bent intersecting components, single-to-double transition arched boxes, load-bearing beam fabrication techniques, etc. It has yielded 6 key achievements, mainly comprising rapid construction technology for urban large-scale steel bridge boxes and processing techniques for bidirectional curved shell structures, etc.
9. As approved at the first extraordinary general meeting in 2013, the usage of the remaining balance of the raised funds and interest of RMB141 million for the Project in relation to an annual production of 400,000 tons of ERW welded pipes by MCC Liaoning Dragon Pipe Industries Co., Ltd. (中冶遼寧德龍鋼管有限公司) will be changed to permanent replenishment to working capital.

SIGNIFICANT EVENTS

10. Due to multiple factors, the steel pipe production and sales volume of the project in relation to an annual production of 400,000 tons of ERW welded pipes by MCC Liaoning Dragon Pipe Industries Co., Ltd. has remained below the breakeven point, while processing costs such as labour fees and maintenance costs remain high. As a result, the project Company's total profit is in a loss state. The project company officially entered bankruptcy liquidation proceedings on 29 May 2023. The court's bankruptcy liquidation administrator team has begun the liquidation process, and some assets, including buildings, vehicles, steel pipes, and parts, are currently being auctioned. As of the end of 2025, all unresolved issues regarding the former Dragon Steel Pipe employees have been properly addressed, the auction of fixed assets has been completed, and the majority of the finished steel pipes have been sold at auction.
11. The project in relation to the production base in Anshan, Liaoning for an annual production of 100,000 tons of quality steel structures (a production line for wind tower tubes) was approved at the 2010 Annual General Meeting, which has been changed to the "Large multi-ram die forgings and heavy equipment automation industrial base construction project" (for details, please refer to the relevant announcement disclosed by the Company on 17 June 2011).
12. Centered on four key product lines—multi-directional die forgings & heavy-duty presses, metallurgical energy & environmental equipment, high-end valves & high-pressure piping manifolds, and high-performance wear-resistant components—the construction of the Large multi-ram die forgings and heavy equipment automation industrial base construction project has successfully developed over 100 mature products. It has been accredited as a National High-Tech Enterprise and a Hebei Province Specialized and Innovative Small and Medium-sized Enterprise, among more than 10 innovation platforms. The Company has successively won more than 60 awards and achievements, including the National Science and Technology Progress Award, the China Patent Excellence Award, and the Metallurgical Science and Technology Award. Furthermore, it has contributed to the establishment of 4 national standards, 3 industry standards, and 4 group standards, while undertaking 1 national-level and 4 provincial-level research projects, yielding more than 30 technological outcomes. As considered and approved at the annual general meeting for the year 2023 held on 25 June 2024, the remaining proceeds from the project and the interest thereon amounting to RMB93 million will be used for permanent replenishment to working capital.

2. Use of excess proceeds

Unit: RMB0'000

Usage	Nature	Total excess proceeds to be invested ⁽¹⁾	Accumulated investment amount out of excess proceeds as at the end of the Reporting Period ⁽²⁾	Process of accumulated investment as at the end of the Reporting Period ^{(3)=(2)/1} (%)	Notes
Replenishment of working capital and repayment of bank loans	Replenishment of working capital and repayment of loans	151,097.24	151,097.24	100%	-

3. Details of the re-evaluation of investment project during the Reporting Period

Applicable Not applicable

SIGNIFICANT EVENTS

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

Unit: RMB0'000

Name of the project before change	Time of change (time of first announcement disclosure)	Type of change	Total investment amounts out of project proceeds before change /termination	Total project proceeds invested before change /termination	Name of the project after the change	Reason for change/ termination	Amount of proceeds used to supplement liquidity after change/ termination	Explanation of decisionmaking procedures and information disclosure
Afghanistan Aynak Copper Mine Project	8 December 2025	Permanent replenishment to working capital	85,000.00	0	Supplement working capital and repay bank loans	To actively respond to the relevant directives advocating for central state-owned enterprises to focus on their principal businesses, promote specialised integration and optimise resource allocation, the Company, upon consideration and approval at its 80th meeting of the 3rd session of the Board and the 2025 first extraordinary general meeting, transferred the 100% equity interests in MCC Tongsin Resources, the holding party of the Afghanistan Aynak Copper Mine Project, to the Controlling Shareholder China Minmetals (Please refer to the relevant announcement disclosed by the Company on 8 December 2025 for details). Upon completion of the above transaction, MCC Tongsin Resources will cease to be included in the Company's consolidated financial statements. To improve the efficiency of the use of raised funds, the Company has reallocated all A-share proceeds originally earmarked for this project to serve as a permanent source of working capital.	RMB96,028.20 (including interest)	Such matter was considered and approved at the 80th meeting of the Board of the Company and the 2025 first extraordinary general meeting. CITIC Securities Company Limited, the sponsor, issued a clear consent opinion. For details, please refer to the relevant announcements disclosed by the Company on 8 December 2025 and 29 December 2025.

(IV) Other Circumstances of Use of Proceeds during the Reporting Period

1. Initial investment and replacement of projects with proceeds

Applicable Not applicable

2. Temporarily supplement working capital with idle proceeds

In March 2025, approved by the 70th meeting of the third session of the Board, it was agreed to temporarily use the idle funds raised from the A-share IPO to supplement the working capital, with a total amount of not more than RMB959.99 million and a usage period not exceeding one year from the date of approval by the Board (Please refer to the relevant announcement disclosed by the Company on 28 March 2025 for details). As at 5 December 2025, the Company refunded the full amount of RMB959.99 million of the above previously used for the temporary replenishment of working capital to the special account for the Company's A-share proceeds for a period of use of not exceeding one year (please refer to the relevant announcement disclosed by the Company on 8 December 2025 for details).

SIGNIFICANT EVENTS

3. *Cash management against idle proceeds to invest in relevant products*

Applicable Not applicable

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

1. *Conclusion of the audit report issued by the accounting firm on the Company's annual deposit and use of proceeds from fundraising*

Upon verification, the accounting firm opines that the report on the deposit, management, and actual usage of raised capital by Metallurgical Corporation of China Ltd. (MCC) has been prepared in accordance with the provisions of the China Securities Regulatory Commission's "Regulations on the Supervision of Raised Capital of Listed Companies" (《上市公司募集資金監管規則》) and the "Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No.1 – Standardized Operations." (《上海證券交易所上市公司自律監管指引第1號-規範運作》) The report truthfully reflects, in all material respects, the deposit, management, and actual usage of MCC's raised capital as of December 31, 2025.

2. *Conclusion of the special verification report issued by the sponsor on the Company's annual deposit and use of proceeds from fundraising*

Upon verification, the sponsor is of the opinion that the deposit and use of MCC's raised funds for the year 2025 comply with the relevant provisions of laws and regulations including the Administrative Measures for Sponsorship Business for Securities Issuance and Listing, the Listing Rules of the Shanghai Stock Exchange, the Regulatory Rules for Raised Funds of Listed Companies and the Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 1 – Standardised Operations (Revised in May 2025). MCC has placed the raised funds in special accounts and used them for specific purposes, and has fulfilled its relevant information disclosure obligations in a timely manner. The actual use of the raised funds is consistent with the disclosures, and there are no material violations in the use and management of the raised funds. The sponsor has no objection to the deposit and use of MCC's raised funds for the year 2025.

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

Applicable Not applicable

XV. **OTHER IMPORTANT MATTERS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGEMENT AND INVESTMENT DECISION**

Applicable Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Changes in shares

1. Changes in shares

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

2. Explanation on the changes in shares

Applicable Not applicable

3. Impacts on financial indicators including earnings per share, net assets per share, etc. from changes in shares in the latest year and period (if any)

Applicable Not applicable

4. Other information the disclosure of which is deemed necessary by the Company or is required by securities regulatory authorities

Applicable Not applicable

(II) Changes in shares subject to selling restrictions

Applicable Not applicable

II. ISSUANCE AND LISTING OF SECURITIES

(I) Issuance of securities for the Reporting Period

Unit: certificate Currency: RMB

Types of shares and their derivative securities	Issue date	Issue interest rate	Issue number	Listing date	Number of shares permitted to be listed for trading	Termination date of transaction
Bonds (including enterprise bonds, corporate bonds and non-financial corporate debt financing instruments)						
2025 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	3 March 2025 – 4 March 2025	2.30%	2,000	6 March 2025	2,000	3+N(3)
2025 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20 March 2025 – 21 March 2025	2.31%	2,000	25 March 2025	2,000	3+N(3)
2025 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	12 March 2025 – 13 March 2025	2.37%	2,000	17 March 2025	2,000	3+N(3)

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Types of shares and their derivative securities	Issue date	Issue interest rate	Issue number	Listing date	Number of shares permitted to be listed for trading	Termination date of transaction
2025 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 March 2025 – 25 March 2025	2.27%	2,000	27 March 2025	2,000	3+N(3)
2025 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	27 March 2025	2.25%	2,000	31 March 2025	2,000	3+N(3)
2025 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 April 2025 – 24 April 2025	2.35%	1,200	27 April 2025	1,200	5+N(5)
2025 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	27 April 2025 – 28 April 2025	2.39%	2,000	30 April 2025	2,000	5+N(5)
2025 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	22 May 2025 – 23 May 2025	2.07%	2,000	27 May 2025	2,000	3+N(3)
2025 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	26 May 2025 – 27 May 2025	2.09%	2,000	29 May 2025	2,000	3+N(3)
2025 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	9 June 2025 – 10 June 2025	2.05%	800	12 June 2025	800	3+N(3)
2025 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	17 September 2025 – 18 September 2025	2.27%	2,000	22 September 2025	2,000	3+N(3)
2025 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	19 September 2025 and 22 September 2025	2.26%	2,000	24 September 2025	2,000	3+N(3)
2025 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	22 October 2025 – 23 October 2025	2.26%	1,300	27 October 2025	1,300	3+N(3)
2025 Fourteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 November 2025	2.48%	2,000	27 November 2025	2,000	5+N(5)
2025 Fifteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd. (Type I)	26 November 2025	2.25%	1,600	28 November 2025	1,600	3+N(3)
2025 Fifteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd. (Type II)	26 November 2025	2.50%	900	28 November 2025	900	5+N(5)
2025 Sixteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	1 December 2025	2.55%	2,000	3 December 2025	2,000	5+N(5)

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Explanations on the securities issuance during the Reporting Period (please explain the bonds with different interest rates during the lifetime separately):

Applicable Not applicable

(II) Changes in the total number of shares and Shareholder structures of the Company and changes in the asset and liability structures of the Company

Applicable Not applicable

(III) Existing internal employee shares

Applicable Not applicable

III. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER

(I) Total number of Shareholders

Total number of ordinary Shareholders as at the end of the Reporting Period (<i>Person</i>)	353,911
Total number of holders of ordinary shares as at the end of the last month prior to the disclosure of annual report (<i>Person</i>)	365,074
Total number of Shareholders of preferred shares whose voting rights have been restored as at the end of the Reporting Period (<i>Person</i>)	0
Total number of holders of preference shares with voting rights restored as at the end of the last month prior to the disclosure of annual report (<i>Person</i>)	0

(II) Shareholdings of the top ten Shareholders and top ten holders of Tradable Shares (or holders of shares not subject to selling restrictions) as at the end of the Reporting Period⁽¹⁾

Unit: share

Name of Shareholder (Full name)	Change during the Reporting Period	Shareholding of the top ten Shareholders (excluding shares lent under the margin refinancing transfer)			Pledged, marked or frozen		Nature of Shareholder
		Shares held at the end of the Reporting Period	Percentage (%)	Shares subject to selling restrictions	Status of Shares	Amount	
China Minmetals Corporation	0	9,171,859,770	44.26%	0	Nil	0	State-owned legal person
HKSCC Nominees Limited ²⁾	4,079,500	2,851,098,901	13.76%	0	Nil	0	Others
China National Petroleum Corporation	0	1,227,760,000	5.92%	0	Nil	0	State-owned legal person
China Metallurgical Group Corporation	0	1,019,095,530	4.92%	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	0	589,038,427	2.84%	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	-120,731,162	195,952,188	0.95%	0	Nil	0	Others

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Name of Shareholder (Full name)	Shareholding of the top ten Shareholders (excluding shares lent under the margin refinancing transfer)						Nature of Shareholder
	Change during the Reporting Period	Shares held at the end of the Reporting Period	Percentage (%)	Shares subject to selling restrictions	Pledged, marked or frozen		
					Status of Shares	Amount	
Industrial and Commercial Bank of China Limited – HuataiPineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	-4,559,022	118,655,371	0.57%	0	Nil	0	Others
China Construction Bank Corporation – E FUND CSI 300 Trading Open Index Sponsored Securities Investment Fund	-929,600	84,124,742	0.41%	0	Nil	0	Others
Industrial and Commercial Bank of China Limited – China CSI 300 Exchange-traded Open-end Index Securities Investment Fund	7,669,300	64,197,200	0.31%	0	Nil	0	Others
Bank of China Limited – Harvest CSI 300 Exchange Traded Open-End Index Securities Investment Fund	1,797,900	55,357,010	0.27%	0	Nil	0	Others

Shareholding of the top ten Shareholders not subject to selling restrictions (excluding shares lent under the margin refinancing transfer)			
Number of tradable Shares held not subject to selling restrictions	Types and number of Shares	Name of Shareholder	
		Types	Number
China Minmetals Corporation	9,171,859,770	RMB-denominated ordinary shares	9,171,859,770
HKSCC Nominees Limited ⁽²⁾	2,851,098,901	Overseas-listed foreign shares	2,851,098,901
China National Petroleum Corporation	1,227,760,000	RMB-denominated ordinary shares	1,227,760,000
China Metallurgical Group Corporation	1,019,095,530	RMB-denominated ordinary shares	1,019,095,530
China Securities Finance Corporation Limited	589,038,427	RMB-denominated ordinary shares	589,038,427
Hong Kong Securities Clearing Company Limited	195,952,188	RMB-denominated ordinary shares	195,952,188
Industrial and Commercial Bank of China Limited – HuataiPineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	118,655,371	RMB-denominated ordinary shares	118,655,371
China Construction Bank Corporation – E FUND CSI 300 Trading Open Index Sponsored Securities Investment Fund	84,124,742	RMB-denominated ordinary shares	84,124,742
Industrial and Commercial Bank of China Limited – China CSI 300 Exchange-traded Open-end Index Securities Investment Fund	64,197,200	RMB-denominated ordinary shares	64,197,200

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

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

Number of tradable Shares held not subject to selling restrictions	Types and number of Shares	Name of Shareholder	
		Types	Number
Bank of China Limited – Harvest CSI 300 Exchange Traded Open-End Index Securities Investment Fund	55,357,010	RMB-denominated ordinary shares	55,357,010
Explanations on the special account for repurchase of the top ten Shareholders			Not applicable
Explanations on the aforesaid Shareholders' entrusting of voting rights, entrusted voting rights, and waiver of voting rights			Not applicable
Explanations on the connections or parties acting in concert among the aforesaid Shareholders		Among the above Shareholders, China Minmetals Corporation and China Metallurgical Group Corporation are parties acting in concert. Apart from the above, the Company is not aware of any relationship or parties acting in concert among the other Shareholders.	
Explanations on the Shareholders of preferred shares whose voting rights have been restored and the number of Shares held			Not applicable

Note (1): Figures in the table were extracted from the Company's register of Shareholders as at 31 December 2025.

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

(III) Strategic investors or general legal persons becoming the top ten Shareholders by placing of new shares

Applicable Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

IV. PARTICULARS OF CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLERS

(I) Controlling Shareholder

1. Legal person

Name	China Minmetals Corporation
Unit head or legal representative	Chen Dexin
Date of incorporation	9 December 1982
Principal business operations	Investment and sales of ferrous metals, non-ferrous metals, mineral products and non-metallic mineral products; development and investment management of new energy; investment management in the fields of finance, securities, trusts, leasing, insurance, funds, and futures; investment and asset management; various kinds of engineering and technology consulting services and leasing of engineering equipment; technological development, technical services, technical exchange and transfer of technology of new materials, new techniques, and new products related to engineering and construction; development and sales of equipment required for the metallurgical industry; undertaking various types of international industrial and civilian construction, engineering consulting, surveying, design and leasing of equipment; sales of mechanical and electrical products, cars, building materials, instrument and apparatus, hardware and electric materials, and mechanical equipment; technology research, planning, surveying, design, and supervision services for construction and installation projects of mechanical and electrical equipment; development and operation of real estate; property management; import and export business; bidding, tendering, and bidding agent; organising exhibitions and displays; designing, producing, and acting as an agent for domestic and international advertisements; economic trade consulting; technical services and technical exchanges; leasing of owned properties. (The market entity shall independently select operational projects and carry out operational activities in accordance with laws; for projects subject to approval according to laws, operational activities shall be carried out according to the approved contents upon approval by related authorities; and the market entity shall not engage in operational activities of projects prohibited or restricted by national and municipal industrial policies.)
Equity interests in other domestic and overseas listed companies controlled and held by the Company during the Reporting Period	Details of interests held by China Minmetals in domestic and overseas listed companies with shareholdings of 5% or more are set out in the table below.
Other explanations	Nil.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

No.	Name	Shareholding
1	MMG Limited (MMG, 1208. HK)	China Minmetals H. K. (Holdings) Limited, a controlling shareholder, had a shareholding of 67.43%
2	Qinghai Salt Lake Industry Co., Ltd. (Salt Lake Stock, 000792. SZ)	China Minmetals Corporation directly and indirectly controls a total of 29.99% of the voting rights of Qinghai Salt Lake Industry Co., Ltd.; (among which, 12.87% is held through China Salt Lake Industry Group Co., Ltd., 8.1% is held directly by China Minmetals Corporation, 1.34% is held by Qinghai Huixin Asset Management Co., Ltd. (青海匯信資產管理有限責任公司), and 7.68% is held by ICBC Financial Asset Investment Co., Ltd. (工銀金融資產投資有限公司持股) as a person acting in concert).
3	Zhuzhou Smelter Group Co., Ltd. (ZhuYe Group, 600961. SZ)	Controlling shareholder Hunan Nonferrous Metals Holding Group Co., Ltd. had a combined shareholding of 51.05% (of which 31.27% is held through Hunan Nonferrous Metals Holding Group Co., Ltd. and 19.78% is held by Zhuzhou Smelting Group Co., Ltd.).
4	China Tungsten and Hightech Materials Co., Ltd. (China Tungsten and Hightech, 000657. SZ)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 60.12% (of which 30.59% is held through China Minmetals Corporation Limited and 29.53% is held through Minmetals Tungsten Group Company Limited).
5	Minmetals Development Co., Ltd. (Minmetals Development, 600058. SH)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 62.56%.
6	Minmetals New Energy Materials (Hunan) Co., Ltd. (Minmetals New Energy, 688779. SH)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 43.65% (of which 17.16% are held through China Minmetals Corporation Limited, 17.16% through Changsha Research Institute of Mining and Metallurgy Co., Ltd. (長沙礦冶研究院有限責任公司), 8.58% through Ningbo Chuangyuan Jianhe Investment Management Co., Ltd. (寧波創元建合投資管理有限公司), and 0.75% through Minmetals Jinding Investment Co., Ltd. (五礦金鼎投資有限公司).
7	Minmetals Capital Co., Ltd. (Minmetals Capital, 600390. SH)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 50.42% (of which 47.07% are held through China Minmetals Corporation Limited, 3.35% through Changsha Research Institute of Mining and Metallurgy Co., Ltd. (長沙礦冶研究院有限責任公司).
8	Minmetals Land Limited (Minmetals Land, 0230. HK)	Controlling shareholder, June Glory International Limited, had a shareholding of 61.88%, and was delisted on 3 March 2026.
9	Xiamen Tungsten Co., Ltd. (Xiamen Tungsten, 600549. SH)	The shareholder, China Minmetals Non-Ferrous Metals Company Limited, holds a 7.68% stake in the Company.
10	Huludao Zinc Industry Co., Ltd. (Zinc Industry, 000751. SZ)	China Metallurgical Group Corporation holds a 27% stake in MCC Huludao Nonferrous Metals Group Co., Ltd., which in turn holds a 20.59% stake in Huludao Zinc Industry Co., Ltd..

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

2. *Natural person*

Applicable Not applicable

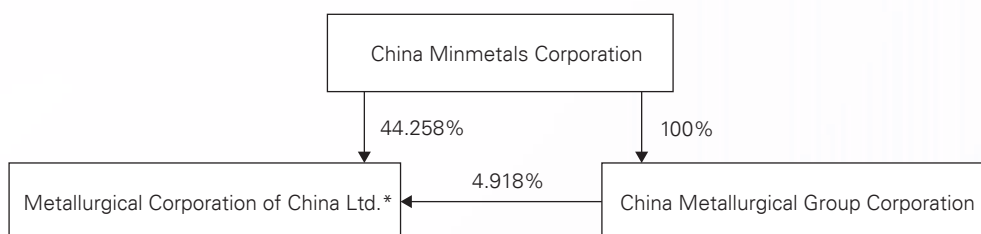
3. *Special explanation on the Company not having any controlling shareholder*

Applicable Not applicable

4. *Explanations on changes in Controlling Shareholder during the Reporting Period*

Applicable Not applicable

5. *A diagram showing the equity and relationship between the Company and the Controlling Shareholder*



(II) De facto controller

1. *Legal person*

Applicable Not applicable

The de facto controller of the Company is the SASAC.

2. *Natural person*

Applicable Not applicable

3. *Special explanation on the Company not having any de facto controller*

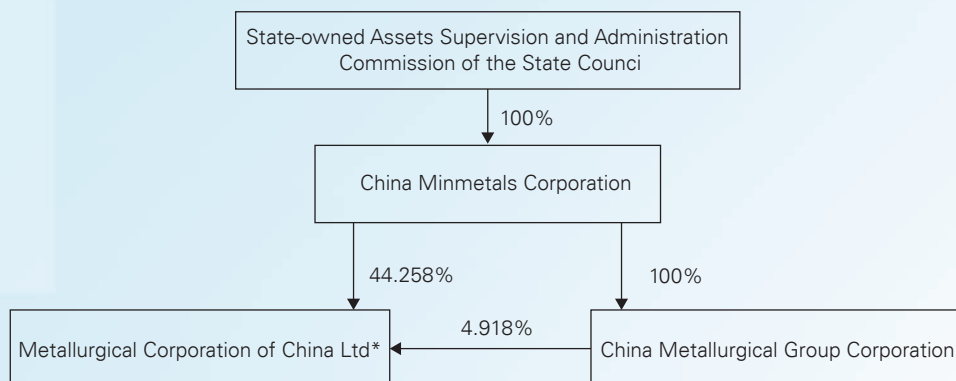
Applicable Not applicable

4. *Explanations on changes of control rights of the Company during the Reporting Period*

Applicable Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

5. A diagram showing the equity and relationship between the Company and the de facto controller



6. Control of the Company by de facto controller by way of trust or other means of asset management

Applicable Not applicable

- (III) Other explanation regarding the controlling shareholder and the de facto controller

Applicable Not applicable

V. THE CUMULATIVE NUMBER OF SHARES PLEDGED BY THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER OF THE COMPANY AND THE PERSONS ACTING IN CONCERT ACCOUNTS FOR MORE THAN 80% OF SHARES OF THE COMPANY HELD BY THEM

Applicable Not applicable

VI. OTHER CORPORATE SHAREHOLDERS HOLDING MORE THAN 10% OF THE COMPANY'S SHARES

Applicable Not applicable

VII. RESTRICTION ON REDUCTION IN SHAREHOLDING

Applicable Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

On 17 December 2025, the Resolution on the A Share Repurchase Plan and the Resolution on Authorizing the Repurchase of the Company's H Shares were considered and approved at the 81st meeting of the third session of the Board held by the Company. On 16 January 2026, the above resolutions was considered and approved at the 2026 first extraordinary general meeting held by the Company, at which it was agreed that the Company used its own funds to repurchase a portion of its issued A Shares and H Shares by way of centralized price bidding.

For specific details, please refer to the relevant announcements disclosed by the Company on 18 December 2025 and 17 January 2026, on the Shanghai Stock Exchange website (www.sse.com.cn), as well as the relevant announcements disclosed on 17 December 2025 and 16 January 2026 on the Hong Kong Stock Exchange website (www.hkexnews.hk). As of 30 March 2026, the specific implementation of the Company's share repurchase is as follows:

Implementation of the repurchase of A Shares:

Name of share repurchase plan	A Share Repurchase Plan of the Company by Centralized Price Bidding
Time of disclosure of share repurchase plan	17 December 2025
Number of shares to be repurchased and its percentage of total share capital (%)	0.98%-1.97% (calculated based on the cap of the repurchase price)
Amount to be repurchased	RMB1 billion (inclusive) – RMB2 billion (inclusive)
Period of proposed repurchase	Within 12 months from the date the repurchase plan considered and approved at the Company's general meeting
Repurchase purpose	Reduce registered capital
Number of shares repurchased (<i>shares</i>)	50,277,526
Percentage of the repurchased number of shares to the underlying shares involved in the equity incentive plan (%) (if any)	Not applicable
Progress of the Company's share repurchase reduction by means of centralized bidding transactions	During the Reporting Period, the Company did not reduce repurchased shares.

Implementation of the repurchase of H Shares:

In accordance with the H share repurchase authorization, the Company may repurchase H Shares not exceeding 10% of the total number of issued H Shares as of the date of consideration and approval of the relevant resolution on granting such authorization at the general meeting, with the repurchase amount not exceeding RMB500 million. As of 30 March 2026, the Company had cumulatively repurchased 19,637,000 H Shares, representing 0.09% of the Company's total share capital, at a total transaction amount of HKD36,718,000 (excluding transaction fees).

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

IX. DISCLOSURE OF INTERESTS

(I) Directors', chief executive's and other senior management's interests and short positions in the Shares, underlying share(s) and debentures of the Company and its associated corporations

As at 31 December 2025, as far as the Company is aware, none of the Directors, the chief executive and other senior management of the Company or their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise required to be notified to the Company and the Hong Kong Stock Exchange by the Directors and Supervisors pursuant to the Model Code.

(II) Interests and short positions of substantial Shareholders and other persons in the shares and underlying shares of the Company

As at 31 December 2025, the Company was informed that the following persons had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Holders of A Shares

Unit: share

Name of substantial Shareholder	Capacity	Number of A Shares	Nature of interest	Approximate percentage of the total issued A Shares (%)	Approximate percentage of the total issued shares (%)
China Minmetals Corporation	Beneficial owner	9,171,859,770	Long position	51.38	44.26
China National Petroleum Corporation	Beneficial owner	1,227,760,000	Long position	6.88	5.92
China Metallurgical Group Corporation	Beneficial owner	1,019,095,530	Long position	5.71	4.92

Save as disclosed above, as far as the Directors and chief executives of the Company are aware, as at 31 December 2025, in accordance with the register required to be kept under Section 336 of the SFO, no other person or corporation has an interest or short position in the Company's share capital that would require disclosure to the Company under Divisions 2 and 3 of Part XV of the SFO.

X. MINIMUM PUBLIC FLOAT

During the Reporting Period and as at the latest practicable date prior to the publication of this report (i.e. 30 March 2026), the Company has maintained sufficient public float, based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company.

XI. PRE-EMPTIVE RIGHTS AND SHARE OPTION ARRANGEMENTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the PRC, which would oblige the Company to issue new shares to its existing Shareholders in proportion to their current equity ratio. Subject to the Hong Kong Listing Rules and pursuant to the Articles of Association, the Company may increase its registered capital by issuing shares through public or non-public offering, issuing bonus shares to the existing Shareholders, converting capital reserve to share capital or using other methods as required by applicable laws and administrative regulations or approved by relevant authorities.

Meanwhile, the Company does not have any share option arrangements.

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND NONFINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

(I) Corporate bonds (including enterprise bonds)

Applicable Not applicable

(II) Proceeds from corporate bonds

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

(III) Other matters to be disclosed in respect of special variety bonds

Applicable Not applicable

(IV) Significant matters relating to corporate bonds during the Reporting Period

Applicable Not applicable

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

1. Basic information of non-financial corporate debt financing instruments

Unit: RMB100 million

Name of bonds	Short name	Stock 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 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN010	102382163	18 August 2023, 21 August 2023	22 August 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 22 August 2026	20	3.05	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2023 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN011	102382240	23 August 2023-24 August 2023	25 August 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 25 August 2026	14	3.04	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2023 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN012	102382348	31 August 2023-1 September 2023	4 September 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 4 September 2026	10	3.1	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2023 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	23 MCC MTN013	102382364	1 September 2023, 4 September 2023	5 September 2023	Exercise Date of Options redeemed by the issuer, with the first exercise date on 5 September 2026	10	3.22	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No

BONDS

Name of bonds	Short name	Stock 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 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN001	102480524	21 February 2024–22 February 2024	23 February 2024	23 February 2034	10	2.94	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN002	102480538	23 February 2024, 26 February 2024	27 February 2024	27 February 2034	10	2.92	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN003	102480930	14 March 2024–15 March 2024	18 March 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 18 March 2027	20	2.79	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN004	102480974	18 March 2024–19 March 2024	20 March 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 20 March 2027	20	2.74	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN005A	102483199	24 July 2024–25 July 2024	26 July 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 July 2029	10	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN005B	102483200	24 July 2024–25 July 2024	26 July 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 July 2034	10	2.54	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN006	102483403	7 August 2024–8 August 2024	9 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 9 August 2029	20	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN007	102483477	9 August 2024, 12 August 2024	13 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 13 August 2034	12	2.75	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN008	102483673	21 August 2024–22 August 2024	23 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 23 August 2029	20	2.40	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN009	102483722	22 August 2024–23 August 2024	26 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 August 2027	20	2.28	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2024 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN010	102483782	23 August 2024, 26 August 2024	27 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 27 August 2029	20	2.50	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

BONDS

Name of bonds	Short name	Stock 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 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN011	102483789	26 August 2024–27 August 2024	28 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 28 August 2027	20	2.38	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2024 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	24 MCC MTN012	102483835	27 August 2024–28 August 2024	29 August 2024	Exercise Date of Options redeemed by the issuer, with the first exercise date on 29 August 2027	12	2.31	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN001	102580928	3 March 2025–4 March 2025	5 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 5 March 2028	20	2.30	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN002	102581292	20 March 2025–21 March 2025	24 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 24 March 2028	20	2.31	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN003	102581059	12 March 2025–13 March 2025	14 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 14 March 2028	20	2.37	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN004	102581350	24 March 2025–25 March 2025	26 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 March 2028	20	2.27	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN005	102581435	27 March 2025	28 March 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 28 March 2028	20	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN006	102581856	23 April 2025 – 24 April 2025	25 April 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 25 April 2030	12	2.35	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN007	102581943	27 April 2025–28 April 2025	29 April 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 29 April 2030	20	2.39	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN008	102582141	22 May 2025–23 May 2025	26 May 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 May 2028	20	2.07	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No
2025 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN009	102582167	26 May 2025–27 May 2025	28 May 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 28 May 2028	20	2.09	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	-	Bidding transaction	No

BONDS

Name of bonds	Short name	Stock 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
2025 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN010	102582334	9 June 2025–10 June 2025	11 June 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 11 June 2028	8	2.05	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN011	102583972	17 September 2025–18 September 2025	19 September 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 19 September 2028	20	2.27	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN012	102584010	19 September 2025, 22 September 2025	23 September 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 23 September 2028	20	2.26	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN013	102584408	22 October 2025–23 October 2025	24 October 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 24 October 2028	13	2.26	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Fourteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN014	102584982	25 November 2025	26 November 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 26 November 2030	20	2.48	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Fifteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN015A	102585012	26 November 2025	27 November 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 27 November 2028	16	2.25	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Fifteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN015B	102585013	26 November 2025	27 November 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 27 November 2030	9	2.50	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No
2025 Sixteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	25 MCC MTN016	102585064	1 December 2025	2 December 2025	Exercise Date of Options redeemed by the issuer, with the first exercise date on 2 December 2030	20	2.55	Interests payable per annum, and principal and interest payable upon maturity	China Interbank Bond Market	–	Bidding transaction	No

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

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Bond interest payment during the Reporting Period

Name of bonds	Explanations on bond interest payment
2022 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2022 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2022 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment and redemption
2023 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2023 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2023 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2023 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment
2024 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	Normal interest payment

BONDS

2. *Trigger and implementation of option clauses of the Company or investor and investor protection clauses*

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

3. *The intermediaries providing services for bond issuance and effective period business*

Name of the intermediaries	Office address	Contact persons	Contact No.
Bank of Shanghai Co., Ltd.	No. 688 Zhongshan South Road, Huangpu District, Shanghai	Wu Wenting	021-31915817
China CITIC Bank Co., Ltd.	Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing	Feng Ningzhuo	010-66635953
Postal Savings Bank of China Co., Ltd.	Jinding Building, No. 3, Financial Street, Xicheng District, Beijing	Liu Ran	010-89109524
China Chengxin International Credit Rating Co., Ltd.	Galaxy SOHO 5, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing, PRC	Liu Ying, Ma Han	010-66428877
Bank of China Limited	No. 1 Fuxingmen Inner Street, Beijing	Xun Yamei	010-66592749
Bank of Communications Co., Ltd.	No. 188 Yinchengzhong Road, China (Shanghai) Pilot Free Trade Zone	Yi Wentao	021-38873262
China Merchants Bank Co., Ltd.	Tower A, China Merchants International Finance Center, No. 156 Fuxingmennei Avenue, Xicheng District, Beijing	Wang Yuying	010-56438567
Industrial and Commercial Bank of China Limited	No. 55 FuXingMenNei Street, Xicheng District, Beijing	Chen Yulong	010-81013529

Changes in the aforesaid intermediaries

Applicable Not applicable

BONDS

4. Use of proceeds at the end of the Reporting Period

Unit: RMB'00 million

Name of bonds	Total amount of proceeds	Amount used	Amount unused	Operation of special account for proceeds (if any)	Rectification of unauthorised use of proceeds (if any)	Is it in line with the intended use, plan of use and other purposes as stipulated in the prospectuses
2023 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2023 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	14	14	-	-	-	Yes
2023 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	10	10	-	-	-	Yes
2023 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	10	10	-	-	-	Yes
2024 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	10	10	-	-	-	Yes
2024 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	10	10	-	-	-	Yes
2024 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd. (Type I)	10	10	-	-	-	Yes
2024 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd. (Type II)	10	10	-	-	-	Yes
2024 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	12	12	-	-	-	Yes
2024 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2024 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	12	12	-	-	-	Yes
2025 First Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Second Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Third Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Fourth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Fifth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes

BONDS

Name of bonds	Total amount of proceeds	Amount used	Amount unused	Operation of special account for proceeds (if any)	Rectification of unauthorised use of proceeds (if any)	Is it in line with the intended use, plan of use and other purposes as stipulated in the prospectuses
2025 Sixth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	12	12	-	-	-	Yes
2025 Seventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Eighth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Ninth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Tenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	8	8	-	-	-	Yes
2025 Eleventh Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Twelfth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Thirteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	13	13	-	-	-	Yes
2025 Fourteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes
2025 Fifteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd. (Type I)	16	16	-	-	-	Yes
2025 Fifteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd. (Type II)	9	9	-	-	-	Yes
2025 Sixteenth Tranche of Medium-term Notes of Metallurgical Corporation of China Ltd.	20	20	-	-	-	Yes

Progress and operational efficiency of the construction projects in which the proceeds are used

Applicable Not applicable

Explanations on changes in the use of aforesaid proceeds during the Reporting Period

Applicable Not applicable

Other explanations:

Applicable Not applicable

5. Adjustment of credit rating results

Applicable Not applicable

Other explanations:

Applicable Not applicable

6. Implementation, change and impact of guarantee, debt repayment plan and other debt repayment guarantee measures during the Reporting Period

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

7. Other explanations on non-financial corporate debt financing instruments

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

(VI) The Company's loss within the scope of consolidated statements during the Reporting Period exceeded 10% of the net assets at the end of the previous year

Applicable Not applicable

(VII) Overdue interest-bearing debts other than bonds at the end of the Reporting Period

Applicable Not applicable

(VIII) Violations of laws and regulations, Articles of Association and provisions of information disclosure management system during the Reporting Period, and the impacts of agreements or commitments in the prospectuses for bond offering on the rights and interests of bond investors

Applicable Not applicable

BONDS

(IX) Accounting data and financial indicators of the Company for the latest two years as at the end of the Reporting Period

Unit: RMB'000

Major indicators	2025	2024	Increase/decrease as compared to the same period of last year (%)
Net profits after deducting nonrecurring profit and loss attributable to shareholders of the Company	450,358	5,103,056	-91.17
Current Ratio	1.05	1.05	-
Quick Ratio	0.72	0.64	Increased by 0.08 percentage point
Asset-liability Ratio (%)	78.13	77.43	Increased by 0.70 percentage point
EBITDA/Total Liabilities	0.02	0.03	Decreased by 0.01 percentage point
Interest Protection Multip	1.91	2.83	Decreased by 0.92 percentage point
Cash Dividend Protection Multiples	3.96	2.19	Increased by 1.77 percentage points
EBITDA Interest Coverage Ratio	2.98	3.85	Decreased by 0.87 percentage point
Loan Repayment Ratio (%)	100.00	100.00	-
Interest Payment Ratio (%)	100.00	100.00	-

II. CONVERTIBLE CORPORATE BONDS

Applicable Not applicable

AUDITOR'S REPORT

TO SHAREHOLDERS OF METALLURGICAL CORPORATION OF CHINA LTD.:

I. Opinion

We have audited the financial statements of Metallurgical Corporation of China Ltd. ("MCC"), which comprise the consolidated and the Company's balance sheets as at 31 December 2025, the consolidated and the Company's income statements, the consolidated and the Company's cash flow statements and the consolidated and the Company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and presented fairly the consolidated and the Company's financial position as at 31 December 2025, and the consolidated and the Company's results of operations and cash flows for the year then ended.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of MCC in accordance with the Independence Standard for Chinese Certified Public Accountants No. 1 – Requirements for Independence in Audit and Review of Financial Statements and the Code of Ethics for Chinese Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We have acted in compliance with the independence requirements for public interest entities during our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determine the followings are key audit matters in need of communication in our report.

1. *Engineering contracting business – Revenue recognised over time*

1.1 Description of matters

As described in Note VII, 51 to the financial statements, MCC's operating income is mainly derived from engineering contracting business, which is material to the financial statements as a whole. As described in Note V, 25 to the financial statements, MCC's engineering contracting business is mainly attributable to the performance obligations fulfilled over a period of time. During the contract period, the management recognises revenue based on the estimated total income and estimated total costs, in accordance with the performance progress determined using the input method. The estimated total income and estimated total costs of the contract are required to be determined based on the contract budget of the engineering contracting projects, and shall be constantly evaluated and revised during the contract execution process. Relevant contract budget involves the management's significant accounting estimates and judgments. Given the above reasons, we identify the revenue recognition of engineering contracting business as a key audit matter.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

AUDITOR'S REPORT (CONTINUED)

III. Key Audit Matters (Continued)

1. *Engineering contracting business – Revenue recognised over time (Continued)*

1.2 Audit responses

Our audit procedures for revenue recognition of engineering contracting business mainly include:

- (1) Test and evaluate the effectiveness of key internal controls related to budget preparation and revenue recognition of engineering contracting projects;
- (2) Select engineering projects from the engineering contract ledger on a sampling basis, and check the consistency between the amounts of estimated total income and estimated total costs and the engineering project contracts and cost budgets on which they are based;
- (3) Select engineering projects from the engineering contract ledger on a sampling basis and re-calculate their performance progress to verify their accuracy;
- (4) Select samples for testing costs to fulfil a contract incurred in the current year, verify the relevant supporting documents, and perform cut-off testing for costs to fulfil a contract;
- (5) Select samples of engineering contracting projects, conduct on-site inspections of the project's visual progress, discuss and confirm the visual progress of the project with the engineering management department, compare it with the performance progress in the bookkeeping records, evaluate the rationality of the project's performance progress, and perform analysis procedures for the gross profit margin.
- (6) Review the adequacy of disclosure of income from engineering contracting business.

2. *Expected credit losses on accounts receivable and contract assets*

2.1 Description of matters

As described in Note V, 11.2 to the financial statements, MCC measures loss allowance based on the amount equal to the lifetime ECL for accounts receivable and contract assets. For accounts receivable and contract assets which are individually significant and have become credit-impaired, the management recognises the credit losses based on the objective credit-impaired evidence on an item-by-item basis, considering the forward-looking information. Other than those for which the credit losses are recognised separately, the accounts receivable and contract assets are grouped by the management based on their credit risk characteristic, and credit losses are recognised using impairment matrix. The expected credit loss rate for each grouping is determined based on the historical actual loss rate of MCC, taking into account forward-looking information. Determination of credit loss allowance of accounts receivable and contract assets involves the management's significant accounting estimates and judgments. Furthermore, the expected credit losses on accounts receivable and contract assets is material to the financial statements as a whole. Given the above reasons, we identify the expected credit losses on accounts receivable and contract assets as a key audit matter.

AUDITOR'S REPORT (CONTINUED)

III. Key Audit Matters (Continued)

2. *Expected credit losses on accounts receivable and contract assets (Continued)*

2.2 Audit responses

Our audit procedures for impairment of accounts receivable and contract assets mainly include:

- (1) Test and evaluate the effectiveness of key internal controls relating to the assessment of expected credit losses on accounts receivable and contract assets;
- (2) Review the relevant considerations and objective evidence of the management's assessment of expected credit losses on accounts receivable and contract assets;
- (3) Select samples to review the basis for management's evaluation of expected credit losses based on the customer's financial or credit status, historical payment rates and forecast for future economic conditions in respect of accounts receivable and contract assets for which credit losses are recognised separately, and evaluate the rationality of the management's allowance for expected credit losses;
- (4) For accounts receivable and contract assets for which credit losses are recognised based on credit risk characteristics, using impairment matrix, evaluate the rationality of management's grouping category and estimated expected credit loss rate for different grouping, including re-calculating historical actual loss rate determined by the management, and use our valuation experts to evaluate the rationality of management's assessment of forward-looking information. Meanwhile, select samples to check the appropriateness of classifying accounts receivable and contract assets in the impairment matrix based on the common credit risk characteristics;
- (5) Review the adequacy of disclosure of expected credit losses on accounts receivable and contract assets.

3. *Disposal of equity in subsidiaries*

3.1 Description of matters

As described in VIII, 2, XIII, 5 (5) and XVI, 3 to the financial statements, China Metallurgical Group Corporation("CMGC") entered into an Equity Transfer Agreement with Minmetals land Limited("Minmetals land") and China Minmetals Corporation ("CMC") respectively on 8 December 2025, under which MCC would transfer its equity in six companies including MCC Real Estate Group Co., Ltd. ("MCC Real Estate") and related creditor's rights of MCC against MCC Real Estate (the "Transaction"). As related transactions are involved in the Transaction, which is material to the financial statements as a whole, we identify the disposal of equity in subsidiaries as a key audit matter.

3.2 Audit response procedures

Our audit procedures for disposal of equity in subsidiaries mainly include:

- (1) Test and evaluate the effectiveness of key internal controls related to the disposal of equity in subsidiaries and related transactions;
- (2) Obtain and review relevant decision-making documents including resolutions of the Board of Directors and resolutions of shareholders' meeting, understand whether related shareholders have abstained from voting, and check the appropriateness of the decision-making process;

FINANCIAL STATEMENTS

For the year ended 31 December 2025

AUDITOR'S REPORT (CONTINUED)

III. Key Audit Matters (Continued)

3. Disposal of equity in subsidiaries (Continued)

3.2 Audit response procedures (Continued)

- (3) Inquire with the management for understanding the purpose of the Transaction, review the analysis report on the Transaction issued by the independent financial advisor, and determine whether there is reasonable commercial essence in the Transaction;
- (4) Inquire with the management for understanding the principles and basis for determining prices for the Transaction, check the relevant qualifications of the independent appraiser, and evaluate the competency and objectivity of the independent appraiser;
- (5) Obtain and review the "Evaluation Report" issued by the independent evaluator for the underlying assets of the Transaction, and use our valuation experts to evaluate the rationality of the independent appraiser's evaluation method and selection of key parameters;
- (6) Inquire with the management for understanding whether Minmetals Land Holding and China Minmetals Corporation have actually controlled the financial and operational decision-making of the relevant subsidiaries as at 31 December 2025, and evaluate the rationality of the management's judgment on the time point of loss of control over the relevant subsidiaries through examination of the Equity Transfer Agreement and supporting documents related to the transfer of management rights, in combination of the payment of transaction prices and other relevant circumstances;
- (7) Obtain the calculation table of the profit or loss arising from disposal of the Transaction prepared by the management, check the accuracy of key data including disposal consideration and carrying amount of net assets at the disposal date in the calculation table, re-calculate and review the accuracy of the management's disposal of profit and loss and related accounting treatments;
- (8) Review the adequacy of disclosure of the Transaction in the financial statements and notes.

IV. Other information

The management of MCC is responsible for other information. The other information comprises the information included in MCC's 2025 annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. In this respect, we have no matter to report.

AUDITOR'S REPORT (CONTINUED)

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management of MCC is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing MCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern assumption unless the management either intends to liquidate MCC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing MCC's financial reporting process.

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on MCC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by China Standards on Auditing to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause MCC to cease to continue as a going concern.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

AUDITOR'S REPORT (CONTINUED)

VI. Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within MCC to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu CPA LLP
Shanghai, China

Chinese Certified Public Accountant:
Chen Wenlong
(Engagement partner)

Chinese Certified Public Accountant:
Zhou Hongyu

30 March 2026

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Consolidated Balance Sheet 31 December 2025

RMB'000

Item	NOTE VII	31 December 2025	31 December 2024
Current assets			
Cash and bank balances	1	77,764,883	52,558,851
Held-for-trading financial assets		2,030	2,770
Notes receivable	2	5,366,671	4,846,051
Accounts receivable	3	243,437,020	213,513,725
Receivables financing	4	9,066,234	8,597,053
Prepayments	5	19,028,155	22,793,334
Other receivables	6	59,373,440	42,197,057
Inventories	7	15,687,453	75,593,134
Contract assets	8	189,499,733	156,291,569
Non-current assets due within one year	9	11,483,026	11,716,139
Other current assets	10	8,926,152	11,657,487
Total Current Assets		639,634,797	599,767,170
Non-current assets			
Long-term receivables	11	51,689,756	54,419,815
Long-term equity investments	12	40,731,505	38,078,760
Investments in other equity instruments	13	1,789,413	1,698,287
Other non-current financial assets	14	4,373,896	4,875,569
Investment properties	15	7,304,471	8,320,768
Fixed assets	16	16,615,171	27,423,332
Construction in progress	17	4,747,680	5,493,997
Right-of-use assets	18	564,920	567,911
Intangible assets	19	26,597,565	33,639,591
Goodwill	20	47,361	53,923
Long-term prepaid expenses	21	342,458	361,491
Deferred tax assets	22	8,985,407	8,936,039
Other non-current assets	23	36,064,282	24,379,102
Total Non-current Assets		199,853,885	208,248,585
TOTAL ASSETS		839,488,682	808,015,755

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Consolidated Balance Sheet (Continued)

31 December 2025

RMB '000

Item	NOTE VII	31 December 2025	31 December 2024
Current liabilities			
Short-term borrowings	25	22,127,213	33,853,836
Derivative financial liabilities	26	648,732	755,963
Notes payable	27	25,608,315	30,147,409
Accounts payable	28	396,600,873	335,085,043
Receipts in advance	29	69,347	99,579
Contract liabilities	30	56,137,036	61,190,649
Employee benefits payable	31	3,161,987	3,090,045
Taxes payable	32	2,969,140	4,972,005
Other payables	33	50,256,178	55,797,734
Non-current liabilities due within one year	34	14,538,963	15,163,328
Other current liabilities	35	34,296,794	33,474,309
Total Current Liabilities		606,414,578	573,629,900
Non-current liabilities			
Long-term borrowings	36	41,446,692	40,311,531
Bonds payable	37	2,000,000	4,000,000
Lease liabilities	38	410,397	422,701
Long-term payables	39	992,278	1,341,885
Long-term employee benefits payable	40	2,475,555	3,440,348
Provisions	41	566,712	1,003,947
Deferred income	42	738,992	1,019,027
Deferred tax liabilities	22	120,036	147,012
Other non-current liabilities	43	764,004	363,538
Total Non-current Liabilities		49,514,666	52,049,989
TOTAL LIABILITIES		655,929,244	625,679,889

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Consolidated Balance Sheet (Continued)

31 December 2025

Item	NOTE VII	RMB'000	
		31 December 2025	31 December 2024
SHAREHOLDERS' EQUITY			
Share capital	44	20,723,619	20,723,619
Other equity instruments	45	54,100,000	50,600,000
Including: Perpetual bonds		54,100,000	50,600,000
Capital reserve	46	23,549,164	23,460,671
Other comprehensive income	47	629,544	751,118
Special reserve	48	1,688,552	1,024,967
Surplus reserve	49	3,782,468	3,782,468
Retained profits	50	51,289,390	52,700,255
Total equity attributable to shareholders of the Company		155,762,737	153,043,098
Minority interests		27,796,701	29,292,768
TOTAL SHAREHOLDERS' EQUITY		183,559,438	182,335,866
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		839,488,682	808,015,755

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Dong Su

Financial Controller:
Li Yifeng

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

THE COMPANY'S BALANCE SHEET

31 December 2025

RMB'000

Item	NOTE XVII	31 December 2025	31 December 2024
Current assets			
Cash and bank balances		23,238,794	8,377,885
Accounts receivable	1	316,430	538,857
Prepayments		971,823	209,509
Other receivables	2	62,784,328	72,337,152
Inventories		927	966
Contract assets		1,313,008	1,223,251
Non-current assets due within one year		–	10
Other current assets		135	135
Total Current Assets		88,625,445	82,687,765
Non-current assets			
Long-term receivables	3	120,718	268,568
Long-term equity investments	4	78,020,481	99,420,115
Investments in other equity instruments		981	880
Fixed assets		19,091	20,699
Construction in progress		–	29,208
Right-of-use assets		37,894	156
Intangible assets		41,302	8,603
Other non-current assets		610,358	687,107
Total Non-current Assets		78,850,825	100,435,336
TOTAL ASSETS		167,476,270	183,123,101

FINANCIAL STATEMENTS

For the year ended 31 December 2025

THE COMPANY'S BALANCE SHEET (Continued)

31 December 2025

RMB'000

Item	NOTE XVII	31 December 2025	31 December 2024
Current liabilities			
Short-term borrowings	5	1,011,347	11,618,993
Derivative financial liabilities		648,732	752,975
Accounts payable		1,756,832	2,048,511
Contract liabilities		1,773,848	707,064
Employee benefits payable		20,816	19,402
Taxes payable		104,580	49,379
Other payables	6	42,848,842	46,072,350
Non-current liabilities due within one year	7	3,074,730	494,157
Total Current Liabilities		51,239,727	61,762,831
Non-current liabilities			
Long-term borrowings	8	439,080	25,000
Bonds payable		2,000,000	2,000,000
Lease liabilities		18,675	–
Long-term employee benefits payable		77,231	77,367
Provisions		62,805	153,995
Deferred income		3,598	3,598
Total Non-current Liabilities		2,601,389	2,259,960
TOTAL LIABILITIES		53,841,116	64,022,791
SHAREHOLDERS' EQUITY			
Share capital		20,723,619	20,723,619
Other equity instruments		54,100,000	50,600,000
Including: Perpetual bonds		54,100,000	50,600,000
Capital reserve		37,823,082	37,858,940
Other comprehensive loss		(21,414)	(17,365)
Special reserve		12,550	12,550
Surplus reserve		3,782,468	3,782,468
(Accumulated losses)/Retained profits		(2,785,151)	6,140,098
TOTAL SHAREHOLDERS' EQUITY		113,635,154	119,100,310
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		167,476,270	183,123,101

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Dong Su

Financial Controller:
Li Yifeng

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Consolidated Income Statement

For the year ended 31 December 2025

RMB '000

Item	NOTE VII	2025	2024
I. Total operating income	51	455,380,420	552,024,638
Including: Operating income		455,380,420	552,024,638
II. Total operating costs		441,588,623	533,078,519
Including: Operating costs	51	409,445,805	498,543,592
Taxes and levies	52	2,682,844	2,156,087
Selling expenses	53	3,024,169	3,063,315
Administrative expenses	54	11,482,627	11,830,595
Research and development expenses	55	13,963,960	16,406,225
Financial expenses	56	989,218	1,078,705
Including: Interest expenses		3,654,143	3,392,681
Interest income		3,452,238	2,715,515
Add: Other income	57	533,449	550,228
Investment income/ (loss)	58	18,189,173	(1,354,525)
Including: (Loss)/ Income from investments in associates and joint ventures		(58,837)	137,334
Loss arising from derecognition of financial assets at amortised cost		(1,060,662)	(1,089,125)
Losses on changes in fair value	59	(30,722)	(377,207)
Impairment losses of credit	60	(8,214,433)	(7,193,525)
Impairment losses of assets	61	(19,439,098)	(2,540,854)
Gains on disposal of assets	62	364,625	1,052,666
III. Operating profit		5,194,791	9,082,902
Add: Non-operating income	63	400,896	453,584
Less: Non-operating expenses	64	586,393	281,948
IV. Total profit		5,009,294	9,254,538
Less: Income tax expenses	65	2,487,266	1,350,206
V. Net profit		2,522,028	7,904,332
(I) Classified by the continuity of operation			
Net profit from continuing operations		7,711,931	10,597,146
Net loss from discontinued operations	XVI, 3(1)	(5,189,903)	(2,692,814)
(II) Categorised by ownership			
Net profit attributable to shareholders of the Company		1,321,768	6,745,954
Profit or loss attributable to minority interests		1,200,260	1,158,378

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Consolidated Income Statement (Continued)

For the year ended 31 December 2025

RMB'000

Item	NOTE VII	2025	2024
VI. Other comprehensive loss, net of tax	47	(223,913)	(359,480)
Other comprehensive loss attributable to shareholders of the Company, net of income tax		(189,508)	(364,852)
(I) Other comprehensive income/(loss) that cannot be reclassified subsequently to profit or loss		93,746	(120,938)
1. Changes from remeasurement of defined benefit plans		66,687	(229,146)
2. Other comprehensive loss that cannot be subsequently reclassified to profit or loss under the equity method		(36)	(10)
3. Changes in fair value of investments in other equity instruments		27,095	108,218
(II). Other comprehensive loss that will be reclassified subsequently to profit or loss		(283,254)	(243,914)
1. Other comprehensive loss that can be reclassified to profit or loss under the equity method		(3,001)	(414)
2. Changes in fair value of receivables financing		30,108	8,823
3. Translation differences of financial statements denominated in foreign currencies		(310,361)	(252,323)
Other comprehensive (loss)/income attributable to minority interests, net of tax		(34,405)	5,372
VII. Total comprehensive income		2,298,115	7,544,852
Total comprehensive income attributable to shareholders of the Company		1,132,260	6,381,102
Total comprehensive income attributable to minority interests		1,165,855	1,163,750
VIII. Earnings per share			
Basic earnings per share (RMB/Share)	66	0.002	0.236
Diluted earnings per share (RMB/Share)	66	0.002	0.236

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Dong Su

Financial Controller:
Li Yifeng

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Company's Income Statement

For the year ended 31 December 2025

RMB '000

Item	NOTE XVII	2025	2024
I. Total operating income	9	1,289,862	1,219,788
Including: Operating income		1,289,862	1,219,788
II. Total operating costs		1,717,355	832,672
Including: Operating costs	9	1,290,632	1,217,367
Taxes and levies		8,396	8,199
Selling expenses		30,932	–
Administrative expenses		353,339	364,515
Research and development expenses		14,219	1,136
Financial expenses		19,837	(758,545)
Including: Interest expenses		1,459,914	1,468,330
Interest income		1,529,170	2,167,352
Add: Other income		768	808
Investment (loss)/income	10	(6,089,024)	4,861,363
Including: income from investments in associates and joint ventures		248,601	9,096
Gains/(losses) on changes in fair value		20,579	(375,377)
Impairment reversal/(losses) of credit	11	3,826	(145,650)
Impairment reversal/(losses) of assets		7,311	(753,831)
Gains on disposal of assets		–	226
III. Operating (loss)/profit		(6,484,033)	3,974,655
Add: Non-operating income		100	200
Less: Non-operating expenses		492	63,116
IV. Total (loss)/profit		(6,484,425)	3,911,739
Less: Income tax expenses		4,842	–
V. Net (loss)/profit		(6,489,267)	3,911,739
(I) Classified by the continuity of operation			
Net (loss)/profit from continuing operations		(6,489,267)	3,911,739

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Company's Income Statement (Continued)

For the year ended 31 December 2025

RMB'000

Item	NOTE XVII	2025	2024
VI. Other comprehensive loss, net of tax		(4,049)	(13,867)
(I) Other comprehensive loss that cannot be reclassified subsequently to profit or loss		(2,861)	(16,546)
1. Changes from remeasurement of defined benefit plans		(2,962)	(16,668)
2. Changes in fair value of investments in other equity instruments		101	122
(II) Other comprehensive (loss)/income that will be reclassified to profit or loss		(1,188)	2,679
1. Other comprehensive (loss)/income that can be reclassified to profit or loss under the equity method		(1,188)	2,679
VII. Total comprehensive (loss)/income		(6,493,316)	3,897,872

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Dong Su

Financial Controller:
Li Yifeng

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Consolidated Cash Flow Statement For the year ended 31 December 2025

RMB '000

Item	NOTE VII	2025	2024
I. Cash Flows From Operating Activities			
Cash receipts from the sale of goods and the rendering of services		421,753,787	429,136,846
Receipts of tax refunds		1,113,893	957,274
Other cash receipts relating to operating activities	67(1)	11,034,209	13,676,337
Sub-total of cash inflows from operating activities		433,901,889	443,770,457
Cash payments for goods purchased and services received		357,003,900	372,274,206
Cash payments to and on behalf of employees		29,406,278	30,412,732
Payments of various types of taxes		10,709,541	12,497,726
Other cash payments relating to operating activities	67(1)	21,459,417	20,738,089
Sub-total of cash outflows from operating activities		418,579,136	435,922,753
Net Cash Flow From Operating Activities	68(1)	15,322,753	7,847,704
II. Cash Flows From Investing Activities			
Cash receipts from disposals and recovery of investments		485,379	487,057
Cash receipts from investment income		320,535	206,258
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		585,234	925,920
Net cash receipts from disposals of subsidiaries and other business units	VIII - 2	28,514,826	-
Other cash receipts relating to investing activities	67(2)	4,502,018	2,123,276
Sub-total of cash inflows from investing activities		34,407,992	3,742,511
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		6,277,713	6,862,652
Cash payments to acquire investments		4,337,458	3,592,778
Other cash payments relating to investing activities	67(2)	83,664	2,869,112
Sub-total of cash outflows from investing activities		10,698,835	13,324,542
Net Cash Flow From/(Used in) Investing Activities		23,709,157	(9,582,031)

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2025

RMB'000

Item	NOTE VII	2025	2024
III. Cash Flows From Financing Activities			
Cash receipts from capital contributions		33,855,603	28,113,304
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		4,069,731	9,731,478
Cash receipts from issue of perpetual bonds		29,785,872	18,381,826
Cash receipts from borrowings		203,259,817	344,764,476
Other cash receipts relating to financing activities	67(3)	13,161,674	3,552,009
Sub-total of cash inflows from financing activities		250,277,094	376,429,789
Cash repayments of borrowings		214,649,248	335,480,579
Cash payments for distribution of dividends or profits or settlement of interest expenses		8,317,255	7,781,839
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		1,782,252	463,990
Other cash payments relating to financing activities	67(3)	40,002,551	22,107,548
Sub-total of cash outflows from financing activities		262,969,054	365,369,966
Net Cash Flow (Used in)/From Financing Activities		(12,691,960)	11,059,823
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(44,294)	15,000
V. Net Increase in Cash and Cash Equivalents		26,295,656	9,340,496
Add: Opening balance of cash and cash equivalents		43,190,604	33,850,108
VI. Closing Balance of Cash and Cash Equivalents	68(2)	69,486,260	43,190,604

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Dong Su

Financial Controller:
Li Yifeng

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Company's Cash Flow Statement For the year ended 31 December 2025

RMB'000

Item	NOTE XVII	2025	2024
I. Cash Flows From Operating Activities			
Cash receipts from the sale of goods and the rendering of services		2,651,024	146,356
Other cash receipts relating to operating activities		899,747	1,002,508
Sub-total of cash inflows from operating activities		3,550,771	1,148,864
Cash payments for goods purchased and services received		2,407,975	251,522
Cash payments to and on behalf of employees		242,520	249,015
Payments of various types of taxes		57,599	27,977
Other cash payments relating to operating activities		1,087,375	814,537
Sub-total of cash outflows from operating activities		3,795,469	1,343,051
Net Cash Flow Used in Operating Activities	12(1)	(244,698)	(194,187)
II. Cash Flows From Investing Activities			
Cash receipts from disposals and recovery of investments		95,000	1,550,364
Cash receipts from investment income		4,203,655	3,817,213
Net cash receipts from disposals of subsidiaries and other business units		32,856,061	–
Other cash receipts relating to investing activities		35,647,295	74,712,012
Sub-total of cash inflows from investing activities		72,802,011	80,079,589
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		8,991	70,737
Cash payments to acquire investments		376,012	1,042,023
Other cash payments relating to investing activities		45,238,965	79,343,909
Sub-total of cash outflows from investing activities		45,623,968	80,456,669
Net Cash Flow From/(Used in) Investing Activities		27,178,043	(377,080)

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Company's Cash Flow Statement (Continued)

For the year ended 31 December 2025

RMB'000

Item	NOTE XVII	2025	2024
III. Cash Flows From Financing Activities			
Cash receipts from capital contributions		29,785,872	18,381,826
Including: Cash receipts from issue of perpetual bonds		29,785,872	18,381,826
Cash receipts from borrowings		142,514,889	263,844,091
Other cash receipts relating to financing activities		409,256,909	452,668,718
Sub-total of cash inflows from financing activities		581,557,670	734,894,635
Cash repayments of borrowings		153,161,388	259,969,137
Cash payments for distribution of dividends or profits or settlement of interest expenses		3,410,073	4,047,835
Other cash payments relating to financing activities		436,995,771	462,924,940
Sub-total of cash outflows from financing activities		593,567,232	726,941,912
Net Cash Flow (Used in)/From Financing Activities		(12,009,562)	7,952,723
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(49,173)	3,962
V. Net Increase in Cash and Cash Equivalents		14,874,610	7,385,418
Add: Opening balance of cash and cash equivalents		8,354,373	968,955
VI. Closing Balance of Cash and Cash Equivalents	12(2)	23,228,983	8,354,373

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Dong Su

Financial Controller:
Li Yifeng

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2025

RMB'000

Item	2025								
	Equity attributable to shareholders of the Company								Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Minority interests	
I. Balance at the end of the prior year	20,723,619	50,600,000	23,460,671	751,118	1,024,967	3,782,468	52,700,255	29,292,768	182,335,866
II. Opening balance of the current year	20,723,619	50,600,000	23,460,671	751,118	1,024,967	3,782,468	52,700,255	29,292,768	182,335,866
III. Changes for the year	-	3,500,000	88,493	(121,574)	663,585	-	(1,410,865)	(1,496,067)	1,223,572
(I) Total comprehensive (loss)/income	-	-	-	(189,508)	-	-	1,321,768	1,165,855	2,298,115
(II) Shareholders' contributions and reduction in capital	-	3,500,000	88,493	-	(5,699)	-	(228,717)	(1,696,066)	1,658,011
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	72,615	72,615
2. Capital contribution from holders of other equity instruments (Note VII, 45)	-	29,800,000	(35,858)	-	-	-	-	3,997,115	33,761,257
3. Capital reduction from holders of other equity instruments (Note VII, 45)	-	(26,300,000)	-	-	-	-	-	(4,000,000)	(30,300,000)
4. Others	-	-	124,351	-	(5,699)	-	(228,717)	(1,765,796)	(1,875,861)
(III) Profit distribution	-	-	-	-	-	-	(2,435,982)	(1,001,824)	(3,437,806)
1. Distribution to shareholders	-	-	-	-	-	-	(1,160,523)	(859,624)	(2,020,147)
2. Distribution of interest on perpetual bonds	-	-	-	-	-	-	(1,275,459)	(142,200)	(1,417,659)
(IV) Transfers within shareholders' equity	-	-	-	67,934	-	-	(67,934)	-	-
1. Other comprehensive income transferred to retained earnings	-	-	-	67,934	-	-	(67,934)	-	-
(V) Special reserve	-	-	-	-	669,284	-	-	35,968	705,252
1. Transfer to special reserve in the year	-	-	-	-	10,275,823	-	-	84,569	10,360,392
2. Amount utilised in the year	-	-	-	-	(9,606,539)	-	-	(48,601)	(9,655,140)
IV. Closing balance of the current year	20,723,619	54,100,000	23,549,164	629,544	1,688,552	3,782,468	51,289,390	27,796,701	183,559,438

FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Consolidated Statement of Changes in Shareholders' Equity (Continued)

For the year ended 31 December 2025

RMB'000

Item	2024								
	Equity attributable to shareholders of the Company								
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Minority interests	Total shareholders' equity
I. Balance at the end of the prior year	20,723,619	47,400,000	22,582,222	1,111,475	411,766	3,391,294	49,859,806	22,510,983	167,991,165
II. Opening balance of the current year	20,723,619	47,400,000	22,582,222	1,111,475	411,766	3,391,294	49,859,806	22,510,983	167,991,165
III. Changes for the year	-	3,200,000	878,449	(360,357)	613,201	391,174	2,840,449	6,781,785	14,344,701
(II) Total comprehensive (loss)/income	-	-	-	(364,852)	-	-	6,745,954	1,163,750	7,544,852
(III) Shareholders' contributions and reduction in capital	-	3,200,000	878,449	-	-	-	(155,992)	6,377,393	10,299,850
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	9,731,504	9,731,504
2. Ordinary shares reduced by shareholders	-	-	-	-	-	-	-	(342,200)	(342,200)
3. Capital contribution from holders of other equity instruments	-	18,400,000	(29,260)	-	-	-	-	(26)	18,370,714
4. Capital reduction from holders of other equity instruments	-	(15,200,000)	-	-	-	-	-	(3,246,700)	(18,446,700)
5. Others	-	-	907,709	-	-	-	(155,992)	234,815	986,532
(III) Profit distribution	-	-	-	-	-	391,174	(3,745,018)	(755,660)	(4,109,504)
1. Transfer to surplus reserve	-	-	-	-	-	391,174	(391,174)	-	-
2. Distribution to shareholders	-	-	-	-	-	-	(1,492,101)	(560,937)	(2,053,038)
3. Distribution of interest on perpetual bonds	-	-	-	-	-	-	(1,861,743)	(194,723)	(2,056,466)
(IV) Transfers within shareholders' equity	-	-	-	4,495	-	-	(4,495)	-	-
1. Other comprehensive income transferred to retained earnings	-	-	-	4,495	-	-	(4,495)	-	-
(V) Special reserve	-	-	-	-	613,201	-	-	(3,698)	609,503
1. Transfer to special reserve in the year	-	-	-	-	10,934,301	-	-	1,297,056	12,231,357
2. Amount utilised in the year	-	-	-	-	(10,321,100)	-	-	(1,300,754)	(11,621,854)
IV. Closing balance of the current year	20,723,619	50,600,000	23,460,671	751,118	1,024,967	3,782,468	52,700,255	29,292,768	182,335,866

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Dong Su

Financial Controller:
Li Yifeng

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2025

RMB '000

Item	2025							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive loss	Special reserve	Surplus reserve	Retained profits/ (Accumulated deficit)	Total shareholders' equity
I. Opening balance of the current year	20,723,619	50,600,000	37,858,940	(17,365)	12,550	3,782,468	6,140,098	119,100,310
II. Changes for the year	-	3,500,000	(35,858)	(4,049)	-	-	(8,925,249)	(5,465,156)
(I) Total comprehensive loss	-	-	-	(4,049)	-	-	(6,489,267)	(6,493,316)
(II) Owners' contributions and reduction in capital	-	3,500,000	(35,858)	-	-	-	-	3,464,142
1. Capital contribution from holders of other equity instruments	-	29,800,000	(35,858)	-	-	-	-	29,764,142
2. Capital reduction from holders of other equity instruments	-	(26,300,000)	-	-	-	-	-	(26,300,000)
(III) Profit distribution	-	-	-	-	-	-	(2,435,982)	(2,435,982)
1. Distribution to shareholders	-	-	-	-	-	-	(1,160,523)	(1,160,523)
2. Distribution of interest on perpetual bonds	-	-	-	-	-	-	(1,275,459)	(1,275,459)
III. Closing balance of the current year	20,723,619	54,100,000	37,823,082	(21,414)	12,550	3,782,468	(2,785,151)	113,635,154

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

For the year ended 31 December 2025

RMB'000

Item	2024							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive loss	Special reserve	Surplus reserve	Retained profits	Total shareholders' equity
I. Opening balance of the current year	20,723,619	47,400,000	37,888,131	(3,498)	12,550	3,391,294	5,973,377	115,385,473
II. Changes for the year	-	3,200,000	(29,191)	(13,867)	-	391,174	166,721	3,714,837
(I) Total comprehensive (loss)/income	-	-	-	(13,867)	-	-	3,911,739	3,897,872
(II) Owners' contributions and reduction in capital	-	3,200,000	(29,191)	-	-	-	-	3,170,809
1. Capital contribution from holders of other equity instruments	-	18,400,000	(29,191)	-	-	-	-	18,370,809
2. Capital reduction from holders of other equity instruments	-	(15,200,000)	-	-	-	-	-	(15,200,000)
(III) Profit distribution	-	-	-	-	-	391,174	(3,745,018)	(3,353,844)
1. Transfer to surplus reserve	-	-	-	-	-	391,174	(391,174)	-
2. Distribution to shareholders	-	-	-	-	-	-	(1,492,101)	(1,492,101)
3. Distribution of interest on perpetual bonds	-	-	-	-	-	-	(1,861,743)	(1,861,743)
III. Closing balance of the current year	20,723,619	50,600,000	37,858,940	(17,365)	12,550	3,782,468	6,140,098	119,100,310

This financial statement is signed by the following person:

Chairman:
Chen Jianguang

General Accountant:
Dong Su

Financial Controller:
Li Yifeng

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

III. BASIC INFORMATION

1. General

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

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

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

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

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

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

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III. BASIC INFORMATION (CONTINUED)

1. General (Continued)

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

The Company and its subsidiaries (the "Group") are principally engaged in the following activities: engineering contracting, featured business and other operations.

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

The financial statements had been approved by the board of directors of the Company on 30 March 2026.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

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

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

2. Going concern

The Group assessed its ability to continue as a going concern for the 12 months from 31 December 2025 and did not notice any events or circumstances that may cast significant doubt upon its ability to continue as a going concern. As such, these financial statements have been prepared on a going concern basis.

3. Basis of accounting and principle of measurement

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

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

3. Basis of accounting and principle of measurement (Continued)

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance

These financial statements are in compliance with the ASBEs to truly and completely reflect consolidated and the Company's financial position at 31 December 2025 and consolidated and the Company's operating results, consolidated and the Company's changes in shareholders' equity and cash flows for the year then ended.

2. Accounting period

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

3. Business cycle

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

4. Functional currency

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

5. Methods of determining materiality criteria and selection basis

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

Item	Materiality criteria
Significant receivables for which credit loss allowance is made individually	The original value of individual provision for impairment is more than RMB1.5 billion or the amount of provision for impairment in the current period is more than RMB100 million
Significant amount of provision for bad debts of receivables recovered or reversed	The amount of individual provision for impairment recovered or reversed in the current period is more than RMB100 million
Significant receivables actually written off	The amount written off individually is more than RMB100 million
Significant changes in carrying amounts of contract assets	Changes in the carrying amount of contract assets account for more than 30% of the opening balance of contract assets
Significant construction in progress	Closing balance exceeds 0.05% of the Group's total assets
Significant non-wholly owned subsidiaries	Net assets of subsidiaries account for more than 5% of the Group's net assets, or the non-controlling interest of a single subsidiary accounts for more than 1% of the Group's net assets
Significant joint ventures or associates	The carrying amount of long-term equity investment in a single investee accounts for more than 5% of the Group's net assets, or the investment profit and loss under the equity method of long-term equity investment accounts for more than 10% of the Group's consolidated net profit
Significant receipts in advance/contract liabilities aged over 1 year	The balance of receipts in advance/contract liabilities aged over 1 year individually accounts for more than 10% of the balance of receipts in advance/contract liabilities at the beginning of the year and is more than RMB100 million
Significant changes in the carrying amounts of receipts in advance/contract liabilities	The balance of changes in receipts in advance/contract liabilities individually accounts for more than 10% of the balance of receipts in advance/contract liabilities at the beginning of the year
Significant accounts payable/other payables aged over 1 year	The balance of accounts payable/other payables aged over 1 year individually accounts for more than 10% of the balance of accounts payable/other payables at the beginning of the year
Significant overdue accounts payable/other payables	The balance of overdue accounts payable/other payables individually accounts for more than 5% of the balance of accounts payable/other payables at the beginning of the year

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Business combinations

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

6.1 *Business combinations involving enterprises under common control*

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

6.2 *Business combinations not involving enterprises under common control and goodwill*

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

7. Consolidated financial statements

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

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

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Consolidated financial statements (Continued)

In the preparation of the consolidated financial statements, where the accounting policies of a subsidiary different from those of the Company have made adjustments to the financial statements of the subsidiary based on the Company's own accounting policies, Where the accounting period of a subsidiary is different from that of the Company, the Company has adjusted the financial statements of the subsidiary based on the Company's own accounting period. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

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

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

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

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received from disposal and the fair value of any retained equity and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original shareholding proportion is recognised as investment income in the period in which control is lost, and the goodwill is written down at the same time. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Classification of joint arrangement and joint operation

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

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

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

9. Cash and cash equivalents

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

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

10.1 Transactions denominated in foreign currencies

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

10.1 Transactions denominated in foreign currencies (Continued)

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

10.2 Translation of financial statements denominated in foreign currency

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

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

11. Financial instruments

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

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

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

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

11.1 Classification, recognition and measurement of financial assets

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

11.1.1 Financial assets measured at amortised cost

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

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

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

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

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

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

11.1.3 Classified as financial assets at fair value through profit or loss ("FVTPL")

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

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

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

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

11.1.4 Designated as financial assets at fair value through other comprehensive income ("FVTOCI")

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

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments

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

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

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

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

11.2.1 Significant increase of credit risk

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

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

- Significant changes in internal price indicators as a result of a change in credit risk;
- Adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations;
- An actual or expected significant change in the operating results of the debtor;
- Significant adverse change in the regulatory, economic, or technological environment of the debtor;

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase of credit risk (Continued)

- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring;
- Significant changes in circumstances expected to reduce the debtor's economic incentive to make scheduled contractual payments;
- Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the financial instruments;
- Significant changes in the expected performance and behavior of the debtor.

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

11.2.2 Credit-impaired financial assets

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

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisations;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;
- Purchasing or originating a financial asset with a large scale of discount, which reflects the facts of credit loss incurred.

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For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.3 Determination of expected credit loss

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

- For a financial asset, a credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive;
- For a financial guarantee contract, the credit loss is the present value of the differences between estimated amount paid by the Group for the credit losses incurred by the contract holder and the amount the Group expects to receive from the contract holder, the debtor or any other party;
- For a financial asset with credit-impaired at the balance sheet date, the credit loss is the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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

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

Judgment criteria for individual provision of ECLs

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

11.2.4 Write-down of financial assets

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.3 Transfer of financial assets

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

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

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

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

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

11.4 Classification and measurement of financial liabilities

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

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

11.4.1 Financial liabilities at fair value through profit or loss

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

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For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.4 Classification and measurement of financial liabilities (Continued)

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

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

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

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

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

11.4.2 Financial liability measured at amortised cost

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

11.4 Classification and measurement of financial liabilities (Continued)

11.4.3 Financial guarantee contracts

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

11.5 Derecognition of financial liabilities

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

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

11.6 Equity instruments

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

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

11.7 Derivatives

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

11.8 Offsetting financial assets and financial liabilities

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Inventories

12.1 *Classification and initial measurement*

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

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

12.2 *Valuation method of inventories upon delivery*

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

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

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

12.4 *Inventory count system*

The perpetual inventory system is maintained for stock system.

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

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

12.6 *Properties under development and completed properties held for sale*

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Recognition criteria and presentation methods for discontinued operations

A discontinued operation is a component of an entity that can be clearly distinguished and satisfies one of the following conditions, and such component has been disposed of or is classified as held for sale:

- Such component represents a separate major line of business or geographical area of operations;
- Such component is part of the separate major line of business or geographical area of operations to be disposed of based on the associated plan;
- Such component is a subsidiary acquired exclusively for the purpose of resale.

The profit or loss from discontinued operations is listed separately from the profit or loss from continuing operations in the income statement, and the operating profit or loss such as impairment loss and reversal amount from discontinued operations and disposal profit or loss is presented as profit or loss from discontinued operations. For profit or loss from discontinued operations presented for the current period, the Group restated the information originally presented as profit or loss from continuing operations as the profit or loss from discontinued operations in comparable accounting periods in the financial statements for the period.

14. Long-term equity investments

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

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

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

14.1 Determination of initial investment cost

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

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

14.2 Subsequent measurement and recognition of profit or loss

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

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

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

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

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets at the acquisition date after making appropriate adjustments to be in compliance with the Group's accounting policies and accounting period. The Group's share of net losses of the investee is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume further losses. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as an investment loss for the period. For the changes in equity in addition to the net profit or loss, other comprehensive income and profits distribution, the carrying value of long-term equity investment is adjusted when the investee declares dividend distribution and included in shareholders' equity. The Group recognises its share of the dividends of the investee by reducing the carrying value of the investment. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated if the trading assets do not form a business. Unrealised losses are resulted from the Group's transactions with its associates and joint ventures, and the assets impairment losses are not eliminated.

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

14.3 *Basis for determining control, joint control and significant influence over investee (Continued)*

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

14.4 *Disposal of long-term equity investments*

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognised in profit or loss for the period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted for on the same basis of directly disposed related assets and liabilities of investee, and profit or loss is carried forward proportionately; Other owners' equity recognised from changes of owners' equity except for net profit or loss, other comprehensive income and profit distribution is recognised in profit or loss of current period and carried forward proportionately. For a long-term equity investment accounted for using the cost method, if remaining shares after the disposal are still accounted for using the cost method, other comprehensive income recognised before controlling the investee according to equity method or recognition and measurement of financial instruments, accounted for on the basis of directly disposed related assets and liabilities of the investee, and recognised in profit or loss for the period and carried forward proportionately; changes of owners' equity except for net profit or loss, other comprehensive income and profit distribution are carried forward proportionately and recognised in profit or loss for the period.

Where the Group loses control over the investee due to disposal of partial equity investments, when preparing separate financial statements, if remaining interest after disposal can make joint control or significant influence on the investee, they are accounted for under equity method, and adjusted as if they are accounted for under equity method since the acquisition date; if remaining interest after disposal cannot make joint control or significant influence on the investee, they are accounted for according to the relevant provisions on the recognition and measurement of financial instruments, and the difference between fair value on the date of losing control and carrying amount is recognised in profit or loss for the period.

14.5 *Impairment loss of long-term equity investments*

If the recoverable amounts of the investments to subsidiaries, joint ventures and associates are less than their carrying amounts, an impairment loss should be recognised to reduce the carrying amounts to the recoverable amounts (Note V, 20).

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Investment properties

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

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

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

	Estimated useful lives <i>(years)</i>	Estimated residual values <i>(%)</i>	Annual depreciation (amortization) rate <i>(%)</i>
Buildings and structures	15-40	3-5	2.38-6.47
Land use rights	40-70	–	1.43-2.50

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

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

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

If the recoverable amounts of the investment properties are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V, 20).

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Fixed assets

16.1 Recognition criteria for fixed assets

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

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

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

16.2 Depreciation of each category of fixed assets

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

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

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Fixed assets (Continued)

16.3 Derecognition and impairment

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

If the recoverable amounts of the fixed assets are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V, 20).

17. Construction in progress

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

If the recoverable amounts of the construction in progress are less than the carrying amounts, the carrying amounts will be reduced to the recoverable amounts (Note V, 20).

18. Borrowing costs

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Intangible assets

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

19.1 Land use rights

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

19.2 Mining rights

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

19.3 The right to use of the franchise

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

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

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

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

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

19.4 Software

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Intangible assets (Continued)

19.5 Patent and proprietary technologies

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

19.6 Internal research and development expenditures

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

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

- (1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (2) The Group has the intention to complete the intangible asset and use or sell it;
- (3) The Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- (5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Impairment of non-current assets other than financial assets (Continued)

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

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

21. Long-term prepaid expenses

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

22. Employee benefits

22.1 Short-term employee benefits

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

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

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

22.2 Post-employment benefits

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

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

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Employee benefits (Continued)

22.2 Post-employment benefits (Continued)

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

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

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

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

22.3 Termination benefits

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Provisions

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

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

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

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

24. Other equity instruments

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

- (1) The instrument includes no contractual obligation: (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer;
- (2) If the instrument will be or may be settled in the issuer's own equity instruments, and it is a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or the financial instrument is settled by exchanging only fixed quantity of the Group's own equity instruments for a fixed amount of cash or other financial assets if the financial instrument is a derivative instrument.

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

25. Revenue

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

25.1 Construction Contract

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

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Revenue (Continued)

25.1 Construction Contract (Continued)

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

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

25.2 Contracts for sale of goods

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

According to contract agreements, legal provisions, etc., the Group provides quality assurance for the products sold, which belongs to the category of quality assurance to ensure that the products sold meet established standards to customers. The Group conducts accounting treatment in accordance with Note V, 23.

25.3 Contracts for rendering of services

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Government grants

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

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

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

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

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

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

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For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Deferred tax

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

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

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Leases

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

28.1 *The Group as the lessee*

28.1.1 Separation of the lease

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

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

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

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

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

The Group determines whether the right of use assets are impaired and accounts for the identified impairment loss based on the Accounting Standards for Business Enterprises No. 8 – Impairment of Assets. If the recoverable amount of the right-of-use asset is estimated to be less than its carrying amount, the carrying amount of the asset will be reduced to its recoverable amount (Note V, 20).

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For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Leases (Continued)

28.1 The Group as the lessee (Continued)

28.1.1 Separation of the lease (Continued)

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

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

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

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate;
- amounts expected to be paid under residual value guarantees.

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Leases (Continued)

28.1 *The Group as the lessee (Continued)*

28.1.1 Separation of the lease (Continued)

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

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

28.2 *The Group as the lessor*

28.2.1 Separation of the lease

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

28.2.2 Classification of the lease

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

28.2.3 Rental deposit to be refunded

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

28.2.4 Operating leases recorded by the Group as lessor

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

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Other significant accounting policies and accounting estimates

29.1 Distribution of dividends

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

29.2 Production safety expenses

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

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

29.3 Segment information

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

29.4 Significant accounting estimates and judgements

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

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

29.4.1 Important judgments in applying accounting policies

The Group made some important judgments in applying accounting policies, which have significant influences on the amount of financial statements.

Equity instruments

The issued perpetual bond has no maturity date. Since the Group has the right to defer interest payment and the option for redemption of perpetual bond. The Group has no obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer. The perpetual bond is classified as an equity instrument, which meets the qualifying to be recorded in Note V, 24 as equity instrument.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

29.4 Significant accounting estimates and judgements (Continued)

29.4.1 Critical judgements in applying accounting policies (Continued)

Business models

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

Contractual cash flow characteristics

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

Whether the Group has control over a structured entity

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

Whether a contract is, or contains, a lease

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

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For the year ended 31 December 2025

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

29.4 Significant accounting estimates and judgements (Continued)

29.4.2 The key assumptions and uncertainties used in accounting estimates

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

Engineering construction contracts

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

Impairment of financial instruments and contract assets

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

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

The Group assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Where the carrying amount of an asset or asset group is higher than its recoverable amount (i.e. the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from it), it is indicated that such asset or asset group is impaired. The fair value less costs to sell is determined with reference to the price in sales agreement or observable market price in arm's length transaction, adjusted for incremental costs that would be directly attributable to the disposal of the asset or asset group. When calculating the present value of expected future cash flows from an asset or asset group, the management shall estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in Note V, 20.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

29.4 Significant accounting estimates and judgements (Continued)

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

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

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

Tax

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

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

Retirement benefits

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

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Changes in significant accounting policies and accounting estimates

30.1 Changes in significant accounting policies

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

30.2 Changes in significant accounting estimates

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

VI. TAXATION

1. Major categories of taxes and respective tax rates

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

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

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

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

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VI. TAXATION (CONTINUED)

2. Tax incentives

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

Name of company	Preferential tax rate		Preferential policy
	2025	2024	
Shanghai Baoye Group Corp. Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China First Metallurgical Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China Second Metallurgical Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China MCC5 Group Corp. Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
China MCC17 Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises
China MCC19 Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises, weighted deduction for research and development expenses, and weighted deduction for wages or salaries paid to disabled employees
China MCC22 Group Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Central Research Institute of Building and Construction Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Capital Engineering & Research Incorporation Limited	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
WISDRI Engineering & Research Incorporation Limited	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Huatian Engineering & Technology Corporation, MCC	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Zhong Ye Chang Tian International Engineering Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
Shen Kan Engineering & Technology Corporation, MCC	15%	15%	Tax incentives for high-tech enterprises
Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC	15%	15%	Tax incentives for high-tech enterprises

FINANCIAL STATEMENTS

For the year ended 31 December 2025

VI. TAXATION (CONTINUED)

2. Tax incentives (Continued)

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

Name of company	Preferential tax rate		Preferential policy
	2025	2024	
MCC TianGong Group Corporation Limited	15%	15%	Tax incentives for high-tech enterprises, weighted deduction for research and development expenses, and weighted deduction for wages or salaries paid to disabled employees
MCC Baosteel Technology Services Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises, weighted deduction for research and development expenses, and weighted deduction for wages or salaries paid to disabled employees
MCC Communication Construction Group China Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises
MCC (Shanghai) Steel Structure Technology China Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Urban Investment Holding Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC-SFRE Heavy Industry Equipment Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises and weighted deduction for research and development expenses
MCC Road&Bridge Construction Co., Ltd.	15%	15%	Tax incentives for high-tech enterprises
China Metallurgical Construction Engineering Group Co., Ltd.	15%	15%	Tax incentives for the Western Development Program and weighted deduction for research and development expenses

FINANCIAL STATEMENTS

For the year ended 31 December 2025

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB'000

Item	31 December 2025	31 December 2024
Cash on hand	2,971	5,045
Bank deposits	76,145,655	49,974,504
Other monetary funds	1,616,257	2,579,302
Total	77,764,883	52,558,851
Including: Total amount deposited overseas	4,329,700	2,686,684

As at 31 December 2025, restricted cash and bank balances of the Group were RMB8,278,623,000.00 (as at 31 December 2024: RMB9,368,247,000) (Note VII, 24) which mainly included bank deposits for issuing acceptances, frozen funds for lawsuit and deposits on wages for rural migrant workers, etc.

The Group's certain cash and bank balances deposited overseas are subject to the exchange control in relevant countries or regions and cannot be converted to foreign currencies freely or remitted out from these countries or regions. As at 31 December 2025, the proportion of the Group's cash and bank balances denominated in foreign currency deposited in these countries or regions to the balance of cash and bank balances in the Group's consolidated balance sheet was less than 2% (31 December 2024: less than 2%).

2. Notes receivable

(1) Category of notes receivable

RMB'000

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount
Bank acceptances	1,992,718	4,873	1,987,845	1,874,447	10,793	1,863,654
Commercial acceptances	3,448,496	69,670	3,378,826	3,041,744	59,347	2,982,397
Total	5,441,214	74,543	5,366,671	4,916,191	70,140	4,846,051

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

2. Notes receivable (Continued)

(2) Pledged notes receivable

RMB'000

Item	Amount Pledged as of 31 December 2025
Commercial acceptances	830
Total	830

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

RMB'000

Item	31 December 2025	
	Derecognised	Not derecognised
Bank acceptances	–	1,369,677
Commercial acceptances	–	1,635,802
Total	–	3,005,479

(4) Changes in credit loss allowance of notes receivable

RMB'000

Item	31 December 2024	Provision	Reversal	31 December 2025
Credit loss allowance of bank acceptances	10,793	4,968	(10,888)	4,873
Credit loss allowance of commercial acceptances	59,347	71,392	(61,069)	69,670
Total	70,140	76,360	(71,957)	74,543

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3. Accounts receivable

(1) Disclosure by aging

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

RMB'000

Aging	31 December 2025	31 December 2024
Within 1 year	152,243,376	156,691,694
1 to 2 years	66,814,265	39,475,287
2 to 3 years	21,574,033	14,596,663
3 to 4 years	9,339,328	10,052,992
4 to 5 years	8,025,452	5,167,408
Over 5 years	15,940,314	14,606,851
Total gross carrying amount	273,936,768	240,590,895
Less: Credit loss allowance	30,499,748	27,077,170
Carrying amount	243,437,020	213,513,725

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

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

RMB'000

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3. Accounts receivable (Continued)

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

RMB'000

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

(a) Accounts receivable for which credit loss allowance is assessed on an individual basis are as follows:

RMB'000

Name	31 December 2025			Reasons
	Gross carrying amount	Credit loss allowance	Proportion of provision (%)	
Party 1 ^(Note)	1,702,192	–	–	The Group considered the reasonable and supported information related to other party (including forward-looking information), then evaluated the expected credit losses and made credit loss allowance.
Party 2	1,595,697	566,940	35.53	
Others	31,480,866	12,895,360	40.96	
Total	34,778,755	13,462,300	38.71	/

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3. Accounts receivable (Continued)

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

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

RMB'000

Aging	31 December 2025		Proportion of provision (%)
	Gross carrying amount	Credit loss allowance	
Within 1 year	145,941,623	3,066,985	2.10
1 to 2 years	61,089,877	4,175,010	6.83
2 to 3 years	19,006,860	2,649,788	13.94
3 to 4 years	6,013,480	1,871,626	31.12
4 to 5 years	2,383,617	1,193,506	50.07
Over 5 years	4,722,556	4,080,533	86.41
Total	239,158,013	17,037,448	7.12

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

(3) Changes in credit loss allowance of accounts receivable

RMB'000

Item	31 December 2024	Provision	Reversal	Write-off	Transferred-out	Decrease due to disposal of subsidiaries	Other changes	31 December 2025
Credit loss allowance	27,077,170	6,292,841	(1,539,707)	(8,189)	(649,578)	(753,933)	81,144	30,499,748

The actual write-off amount during the year is RMB8,189,000.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3. Accounts receivable (Continued)

(4) The five largest accounts receivable, contract assets, other non-current assets and long-term receivables collected by arrears at 31 December 2025:

RMB'000

Name	Balance of accounts receivable as at 31 December 2025	Balance of contract assets as at 31 December 2025	Balance of other non-current assets as at 31 December 2025	Balance of long-term receivables as at 31 December 2025	Total balance of accounts receivable, contract assets, other non-current assets and long-term receivables as at 31 December 2025	As a percentage of total closing balance of accounts receivable, contract assets, other non-current assets and long-term receivables	Total balance of credit loss allowance of accounts receivable, provision for impairment of contract assets, provision for impairment of other non-current assets and credit loss allowance of long-term receivables as at 31 December 2025
							(%)
Party 1	4,335,639	3,422,835	196,955	2,841,998	10,797,427	1.88	578,247
Party 2	2,482,832	2,755,329	97,188	228,765	5,564,114	0.97	268,200
Party 3	1,702,192	4,059,311	-	-	5,761,503	1.01	1,795
Party 4	41,252	352,751	40,247	2,932,832	3,367,082	0.59	100,219
Party 5	15,385	15,593	-	2,320,479	2,351,457	0.41	14,561
Total	8,577,300	10,605,819	334,390	8,324,074	27,841,583	4.86	963,022

For the year ended 31 December 2025, the Group derecognised accounts receivable of RMB49,620,504,000 due to transfer of financial assets and recognised investment losses from derecognition of financial assets, amounting to RMB1,060,662,000. As at 31 December 2025, the Group had no assets or liabilities arising from continuing involvement in the transferred accounts receivable.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

4. Receivables financing

(1) Category of receivables financing

RMB'000

Item	31 December 2025	31 December 2024
Bank acceptances	6,261,376	5,906,055
Other credit instruments at FVTOCI	2,804,858	2,690,998
Total	9,066,234	8,597,053

The Group recognises impairment provision for receivables financing on the basis of the expected credit loss. For the year ended 31 December 2025, there was no significant credit risk in receivables financing upon evaluation. Therefore, the Group didn't make allowance for credit impairment loss of receivables financing.

(2) Pledged receivables financing

RMB'000

Item	31 December 2025
Bank acceptances	178,371
Total	178,371

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

RMB'000

Item	31 December 2025		31 December 2024	
	Derecognised	Not-derecognised	Derecognised	Not-derecognised
Bank acceptances	8,828,465	-	12,216,298	-
Other credit instruments at FVTOCI	6,365,082	-	5,352,089	-
Total	15,193,547	-	17,568,387	-

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

5. Prepayments

(1) Analysis by aging

RMB'000

Aging	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	15,122,953	79.48	17,351,284	76.12
1 to 2 years	2,235,862	11.75	2,445,316	10.73
2 to 3 years	624,675	3.28	1,545,328	6.78
Over 3 years	1,044,665	5.49	1,451,406	6.37
Total	19,028,155	100.00	22,793,334	100.00

As at 31 December 2025, prepayments aged over one year were RMB3,905,202,000 (as at 31 December 2024: RMB5,442,050,000), mainly including prepaid construction payments and payments for goods to sub-contractors.

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

RMB'000

Name	Relationship with the Group	31 December 2025	As a percentage of total prepayments (%)
Party 1	Third party	120,704	0.63
Party 2	Third party	97,949	0.51
Party 3	Third party	84,948	0.45
Party 4	Third party	84,111	0.44
Party 5	Third party	71,321	0.37
Total	/	459,033	2.40

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

6. Other receivables

(1) Category of other receivables

RMB'000

Item	31 December 2025	31 December 2024
Dividends receivable	33,568	150,985
Other receivables	59,339,872	42,046,072
Total	59,373,440	42,197,057

(2) Dividends receivable

RMB'000

Investee	31 December 2025	31 December 2024
Tianjin MCC Heyuan Real Estate Co., Ltd.	17,011	17,096
Hebei Steel Luan County Sijiaying Iron Ore Co., Ltd.	9,023	111,605
Chengdu Tiantou Rongxing Building Materials Co., Ltd.	5,186	–
Xinye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	1,279	–
Anhui Zhongju Assembly Technology Co., Ltd.	769	88
Hebei Zhongcao Construction Engineering Co., Ltd.	300	–
Beijing New Century Hotel Co., Ltd	–	20,210
Hebei Xiongan Zhi Tong Technology Co., Ltd.	–	1,986
Total	33,568	150,985

As at 31 December 2025, dividends receivable aged over one year were RMB17,011,000 (as at 31 December 2024: RMB37,306,000).

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

6. Other receivables (Continued)

(3) Other receivables

(a) Aging analysis

RMB'000

Aging	31 December 2025	31 December 2024
Within 1 year	39,300,729	18,486,766
1 to 2 years	6,154,696	5,974,338
2 to 3 years	4,178,705	5,085,629
3 to 4 years	3,548,769	7,121,799
4 to 5 years	2,806,796	3,549,818
Over 5 years	13,950,453	12,476,253
Total gross carrying amount	69,940,148	52,694,603
Less: Credit loss allowance	10,600,276	10,648,531
Carrying amount	59,339,872	42,046,072

(b) Other receivables categorised by nature

RMB'000

Nature	Gross carrying amount at 31 December 2025	Gross carrying amount at 31 December 2024
Payments to be recovered for equity transfer and investment	27,157,582	1,547,523
Deposits and guarantees	16,085,576	19,318,422
Advances	14,215,000	10,765,765
Borrowings and current accounts	6,994,096	14,228,738
Others	5,487,894	6,834,155
Total	69,940,148	52,694,603

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

6. Other receivables (Continued)

(3) Other receivables (Continued)

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

31 December 2025

RMB'000

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

31 December 2024

RMB'000

Category	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of allowance (%)	
Credit loss allowance assessed individually	26,519,387	50.33	5,994,358	22.60	20,525,029
Credit loss allowance collectively assessed on a portfolio basis and credit risk characteristics	26,175,216	49.67	4,654,173	17.78	21,521,043
Total	52,694,603	100.00	10,648,531	/	42,046,072

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

6. Other receivables (Continued)

(3) Other receivables (Continued)

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

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

RMB'000

Name	31 December 2025			Reasons
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)	
Minmetals Land Limited	14,342,866	-	-	The Group assesses expected credit losses and recognises credit loss allowance by considering all reasonable and supportable information (including forward-looking information) available in relation to the counterparty.
CMC	11,698,792	-	-	
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	1,851,809	926,809	50.05	
Others	15,727,519	5,310,107	33.76	/
Total	43,620,986	6,236,916	14.30	/

As at 31 December 2025, other receivables for which credit loss allowances is collectively assessed on a portfolio basis and credit risk characteristics are as follows:

RMB'000

Aging	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)
Within 1 year	11,330,841	327,177	2.89
1 to 2 years	4,015,519	300,917	7.49
2 to 3 years	2,568,899	298,073	11.60
3 to 4 years	2,776,404	655,873	23.62
4 to 5 years	1,727,235	402,048	23.28
Over 5 years	3,900,264	2,379,272	61.00
Total	26,319,162	4,363,360	16.58

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

6. Other receivables (Continued)

(3) Other receivables (Continued)

(d) Changes in credit loss allowance of other receivables

2025

RMB'000

Item	Stage 1 12-month ECL	Stage 2 Lifetime ECL (not credit- impaired)	Stage 3 Lifetime ECL (credit- impaired)	Total
Credit loss allowance at 31 December 2024	1,359,353	3,289,034	6,000,144	10,648,531
Transfer of opening balance for the year	(620,347)	296,542	323,805	–
Provision for the year	692,906	811,541	2,529,058	4,033,505
Reversal for the year	(343,063)	(384,931)	(550,711)	(1,278,705)
Write-off for the year	–	–	(61,939)	(61,939)
Transferred-out for the year	–	–	(3,096)	(3,096)
Decrease due to disposal of subsidiaries	(1,528)	(263,811)	(2,422,419)	(2,687,758)
Other changes	(11,153)	(12,366)	(26,743)	(50,262)
Credit loss allowance at 31 December 2025	1,076,168	3,736,009	5,788,099	10,600,276

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

6. Other receivables (Continued)

(3) Other receivables (Continued)

(e) As at 31 December 2025, the top five balances of other receivables categorised by debtor at the end of the current year

RMB'000

Name	Relationship with the Group	Nature of the amount	Aging	Gross carrying amount at 31 December 2025	Credit loss allowance at 31 December 2025	Proportion to total closing balance of other receivables (%)
Minmetals Real Estate Holdings	Fellow subsidiary controlled by controlling shareholders	Payments to be recovered for equity transfer and investment	Within 1 year	14,342,866	-	20.51
CMC	controlling shareholders	Payments to be recovered for equity transfer and investment	Within 1 year	11,698,792	-	16.73
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	Associate	Advances	Over 3 years	1,851,809	926,809	2.65
Guizhou Zunyi Expressway Construction Investment Co., Ltd.	Third party	Guarantees	Over 4 years	1,213,000	115,031	1.73
Henan Tianhe Investment Group Co., Ltd.	Third party	Current accounts	2 - 3 years	557,025	2,785	0.79
Total	/	/	/	29,663,492	1,044,625	42.41

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

7. Inventories

(1) Classification of inventories

RMB'000

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	1,424,143	25,719	1,398,424	2,023,906	25,376	1,998,530
Purchased materials	46,931	10	46,921	41,761	10	41,751
Materials on consignment for further processing	5,271	–	5,271	6,158	–	6,158
Work in progress	2,327,939	323,892	2,004,047	2,503,517	373,881	2,129,636
Goods on hand	1,783,736	43,152	1,740,584	2,380,046	111,646	2,268,400
Reusable materials	399,132	1,194	397,938	436,320	1,211	435,109
Costs to fulfil a contract	380,928	–	380,928	85,617	–	85,617
Costs of properties under development (a)	3,811,830	88,889	3,722,941	37,203,220	485,834	36,717,386
Completed properties held for sale (b)	6,703,917	713,518	5,990,399	34,296,303	2,385,756	31,910,547
Total	16,883,827	1,196,374	15,687,453	78,976,848	3,383,714	75,593,134

(a) Details of costs of properties under development

RMB'000

Item	Project commencement date	Estimated latest completion date	Estimated total investment amount	Gross carrying amount at 31 December 2024	Gross carrying amount at 31 December 2025
MCC Changyuanli	2022-07-01	2028-12-01	3,629,774	1,064,779	877,510
Chun Hua Qiu Shi Project Meiyuan					
Park Xiyuan	2020-12-27	2027-12-31	2,287,562	448,685	733,659
Hebei Qinhuangdao Yudai Bay	2008-12-31	2026-06-30	3,675,070	710,264	598,225
Land reserve	–	–	573,708	573,708	573,708
MCC Painting & Calligraphy					
Mingyuan	2023-06-30	2026-06-30	640,000	417,383	457,181
Others	/	/	152,715,761	33,988,401	571,547
Total	/	/	163,521,875	37,203,220	3,811,830

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

7. Inventories (Continued)

(1) Classification of inventories (Continued)

(b) Details of the completed properties held for sale

RMB '000

Item	Latest project completion date	Gross carrying amount at 31 December 2024	Increase for the year	Decrease for the year	Gross carrying amount at 31 December 2025
Zhongjie Mansion	2025-06-30	–	1,284,535	–	1,284,535
MCC TongLuo Town	2025-04-28	379,852	337,439	34,595	682,696
MCC Baizhishan International Holiday Park (Phase I)	2024-06-30	692,087	–	122,363	569,724
MCC Changyuanli	2025-12-01	436,684	280,998	263,401	454,281
Qianhai MCC Technology Building Project	2025-07-31	–	387,626	–	387,626
MCC II Ruyijing	2025-09-30	–	862,144	498,532	363,612
MCC Riverside International City Phase I	2015-12-18	403,232	368	47,038	356,562
Renhe Xili	2025-11-28	196,184	202,444	75,958	322,670
Chun Hua Qiu Shi Project Meiyuan Park Dongyuan	2024-08-01	539,519	–	223,534	315,985
Chun Hua Qiu Shi Project	2024-12-31	598,014	–	385,162	212,852
Others	/	31,050,731	5,297,221	34,594,578	1,753,374
Total	/	34,296,303	8,652,775	36,245,161	6,703,917

Note: As at 31 December 2025, the total borrowing costs capitalised included in costs of properties under development and completed properties held for sale were RMB488,314,000 (as at 31 December 2024: RMB8,438,822,000). In 2025, the total borrowing costs capitalised were RMB408,493,000 (2024: RMB533,791,000). The capitalisation rates for determining the capitalised amount of borrowing costs were 2.75% – 5.98% (2024: 2.75% -5.98%).

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

7. Inventories (Continued)

(2) Provision for decline in value of inventories

RMB'000

Item	31 December 2024	Increase for the year			Decrease for the year			31 December 2025
		Provision for the year	Others	Reversal for the year	Transferred- out for the year	Decrease due to disposal of subsidiaries	Others	
Raw materials	25,376	20,616	-	-	477	19,480	316	25,719
Purchased materials	10	-	-	-	-	-	-	10
Work in progress	373,881	816	-	-	31,379	19,426	-	323,892
Goods on hand	111,646	28,428	-	-	59,871	37,051	-	43,152
Reusable materials	1,211	-	-	-	17	-	-	1,194
Costs of properties under development	485,834	7,158,662	-	-	-	7,317,146	238,461	88,889
Completed properties held for sale	2,385,756	7,748,616	238,461	-	667,344	8,989,337	2,634	713,518
Total	3,383,714	14,957,138	238,461	-	759,088	16,382,440	241,411	1,196,374

8. Contract assets

(1) Classification of contract assets

RMB'000

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Contract assets interrelated with engineering contracting services	192,016,803	6,695,711	185,321,092	159,879,413	5,902,058	153,977,355
Contract assets interrelated with quality guarantee deposit	4,319,945	141,304	4,178,641	2,529,922	215,708	2,314,214
Total	196,336,748	6,837,015	189,499,733	162,409,335	6,117,766	156,291,569

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For the year ended 31 December 2025

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

8. Contract assets (Continued)

(1) Classification of contract assets (Continued)

The engineering contracting services provided by the Group normally constitute the single performance obligation, which require to be fulfilled in a certain period. The Group shall determine the implementation progress according to the proportion of actual cost in estimated total cost (cost method). Engineering contracting services require regular settlement with the client, and the related contract consideration vests the Group the right to charge the consideration, which will be listed on receivables, to the client unconditionally after the completion of settlement. Under normal circumstances, there are some timing differences between the implementation progress and the settlement progress in engineering contracting. As at 31 December 2025, implementation progress of part of contracts exceeded the settlement progress, thus forming related contract assets, which shall be transferred into receivables after the completion of settlement.

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

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

RMB'000

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

8. Contract assets (Continued)

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

RMB'000

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

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

RMB'000

Name	31 December 2025			Reasons
	Gross carrying amount	Provision for impairment	Proportion of provision (%)	
Party 1 (Note VII, 8(4))	4,059,311	-	-	The Group assesses expected credit losses and recognises provision for impairment by considering all reasonable and supportable information (including forward-looking information) available in relation to the counterparty.
Others	8,179,730	1,858,746	22.72	
Total	12,239,041	1,858,746	15.19	/

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

8. Contract assets (Continued)

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

- (b) Contract assets for which provision for impairment is collectively assessed on a portfolio basis and credit risk characteristics at 31 December 2025 are as follows:

RMB'000

	Gross carrying amount	Provision for impairment	Proportion of provision (%)
Within 1 year	121,794,554	2,317,200	1.90
1 to 2 years	37,830,041	1,061,482	2.81
2 to 3 years	14,078,792	556,287	3.95
3 to 4 years	6,022,590	321,208	5.33
4 to 5 years	1,849,647	174,286	9.42
Over 5 years	2,522,083	547,806	21.72
Total	184,097,707	4,978,269	2.70

(3) Changes in provision for impairment of contract assets

RMB'000

Item	31 December 2024	Provision for the year	Reversal for the year	Decrease due to disposal of subsidiaries	Other changes	31 December 2025
Provision for impairment of assets	6,117,766	3,085,828	(2,298,604)	(97,485)	29,510	6,837,015

(4) West Australia SINO Iron Mining Project

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

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

8. Contract assets (Continued)

(4) West Australia SINO Iron Mining Project (Continued)

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

The Group assessed the accounts receivable (Note VII, 3. (2) (a)) and the contract assets based on expected credit losses. In the opinion of the Group, although the final contract amount shall be confirmed after the auditing of the third party, the consensus between the Group and CITIC Group for the previously agreed construction costs of USD4.357 billion mentioned in the paragraph above remained unchanged. The Group reasonably expected that the consensus should not have any significant change and recognised no additional contract losses as at 31 December 2025.

On 31 December 2025, the accounts receivable for the above items amounted to RMB1,702,192,000, and the contract assets of the project mentioned above amounted to RMB4,059,311,000. 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.

9. Non-current assets due within one year

RMB'000

Item	31 December 2025	31 December 2024
Long-term receivables due within 1 year (Note VII, 11)	11,483,026	11,716,139
Total	11,483,026	11,716,139

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For the year ended 31 December 2025

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

10. Other current assets

RMB'000

Item	31 December 2025	31 December 2024
Input VAT to be deducted	6,029,704	8,312,461
Prepaid tax	2,210,376	2,586,146
Debt-expiated assets	686,072	758,880
Total	8,926,152	11,657,487

11. Long-term receivables

(1) Classification of long-term receivables

RMB'000

Item	31 December 2025	31 December 2024	Discount rate range
Long-term receivables on project	60,516,508	62,753,639	3.10%-5.00%
Long-term loans	4,681,353	5,556,732	3.60%
Receivables on disposal of equity investments	333,485	333,485	4.90%
Others	470,060	487,337	5.05%
Total gross carrying amount	66,001,406	69,131,193	/
Less: Credit loss allowance of long-term receivables	2,828,624	2,995,239	/
Total net book value	63,172,782	66,135,954	/
Less: Long-term receivables due within one year, net (Note VII, 9)	11,483,026	11,716,139	/
Long-term receivables due over 1 year, net	51,689,756	54,419,815	/

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For the year ended 31 December 2025

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

11. Long-term receivables (Continued)

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

For the year ended 31 December 2025, changes in credit loss allowance based on the 12-month expected credit losses and lifetime expected credit losses on long-term receivables are as follows:

RMB'000

Item	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Credit loss allowance at 31 December 2024	1,206,923	710,443	1,077,873	2,995,239
Transfer of opening balance for the stage	(23,282)	(42,838)	66,120	-
Provision for the year	505,457	145,714	937,132	1,588,303
Reversal for the year	(522,992)	(172,461)	(190,754)	(886,207)
Write-off for the year	(54,079)	-	-	(54,079)
Transferred-out for the year	-	(18,208)	(95,112)	(113,320)
Other changes	60,376	9,077	2,877	72,330
Decrease due to disposal of subsidiaries	-	-	(773,642)	(773,642)
Credit loss allowance at 31 December 2025	1,172,403	631,727	1,024,494	2,828,624

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

12. Long-term equity investments

2025

RMB'000

Investee	Gross carrying amount at 31 December 2024	Changes for the year							Gross carrying amount at 31 December 2025	Balance of provision for impairment at 31 December 2025
		Increase in investment	Decrease in investment	Investment profit or loss recognised under equity method	Other comprehensive income adjustments	Other equity changes	Cash dividends or profit declared	Changes in scope of consolidation		
Joint ventures										
Guizhou Ziwang Highway Construction Co., Ltd.	1,591,252	-	-	(677)	-	-	-	-	1,590,575	-
Guizhou Sanli Highway Construction Co., Ltd.	1,562,030	-	-	1,680	-	-	-	-	1,563,710	-
Guizhou Sanshi Highway Construction Co., Ltd.	889,064	-	-	319	-	-	-	-	889,383	-
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	648,987	-	-	(50,007)	-	-	-	(381,202)	217,778	-
Chongqing-Hunan Double-track Highway Co., Ltd.	644,480	-	-	(19,441)	-	-	-	-	625,039	-
Sichuan Development MCC Construction Investment Co., Ltd.	388,421	-	-	13,402	-	-	-	-	401,823	-
Shiyan Baoye Urban Construction Co., Ltd.	307,721	-	-	953	-	-	-	-	308,674	-
Zhongshan Xiangshan Avenue Integrated Pipe Network Technology Co., Ltd.	279,123	-	-	(15,153)	-	-	-	-	263,970	-
Yinchuan Huaiyuan Road Integrated Pipe Network Construction and Management Co., Ltd.	245,822	-	-	574	-	-	-	-	246,396	-
Ningguo Hechuang Yongning Urban Operation Management Co., Ltd.	230,069	-	-	2,678	-	-	-	-	232,747	-
Huanggang Lianlu Water Service Co., Ltd.	226,941	-	-	(217)	-	-	-	-	226,724	-
Others	3,565,584	220,266	(40,700)	42,959	-	2,940	(2,300)	(173,269)	3,615,480	219,720
Subtotal	10,579,494	220,266	(40,700)	(22,930)	-	2,940	(2,300)	(554,471)	10,182,299	219,720

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

12. Long-term equity investments (Continued)

2025

RMB'000

Investee	Gross carrying amount at 31 December 2024	Increase in investment	Decrease in investment	Changes for the year			Cash dividends or profit declared	Changes in scope of consolidation	Gross carrying amount at 31 December 2025	Balance of provision for impairment at 31 December 2025
				Investment profit or loss recognised under equity method	Other comprehensive income adjustments	Other equity changes				
Associates										
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	1,109,210	-	-	1,227	-	-	-	-	1,110,437	-
Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	1,058,371	4,770	-	(13,969)	-	-	-	-	1,049,172	-
Hunan Xinxin Zhanguan Expressway Construction and Development Co., Ltd.	1,000,560	988,036	-	-	-	-	-	-	1,988,596	-
Chongqing Yunkai Expressway Co., Ltd.	906,379	-	-	-	-	-	-	-	906,379	-
Beijing City Vice-Center Investment Fund Partnership (Limited Partnership)	874,846	-	-	(9,466)	-	-	(1,949)	-	863,431	-
Shijiazhuang Hengxi Highway Construction Management Co., Ltd.	760,259	-	(760,259)	-	-	-	-	-	-	-
Tangshan Stainless Steel Co., Ltd.	666,062	-	-	1,332	-	(179)	-	-	667,215	-
Xiong'an Xiongshang Real Estate Co., Ltd.	604,105	291,250	-	(37)	-	-	-	-	895,318	-
Hebei Steel Luan County Sijiyang Iron Ore Co., Ltd.	575,543	-	-	128,943	-	782	-	-	705,268	-
MCC Baoding Development and Construction Co., Ltd.	575,131	-	-	(133)	-	-	-	-	574,998	-
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	559,408	-	-	39,348	-	-	-	-	598,756	-
Xiong'an Xiongshang Financial Island Development Co., Ltd.	-	495,287	-	397	-	-	-	-	495,684	-
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	407,728	-	-	-	-	-	-	-	407,728	-
Hunan Chachang Expressway Construction and Development Co., Ltd.	369,014	-	-	(10,568)	-	-	-	-	358,446	-
Yunnan Lufu Guangfu Expressway Investment Development Co., Ltd.	359,899	-	-	16	-	-	-	-	359,915	-
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd.	349,944	450	-	-	-	-	-	-	350,394	-
Gansu Gonghanglv Tongding Expressway Management Co., Ltd.	348,440	-	-	68	-	-	-	-	348,508	-
Handan Jinrong Development and Construction Co., Ltd.	325,804	-	-	(4,277)	-	-	-	-	321,527	-
Jiangxi Xingang Southern New Materials Co., Ltd.	316,552	-	-	566	-	-	(3,000)	-	314,118	-
Tianjin Shenghe Real Estate Co., Ltd.	310,000	-	-	-	-	-	-	-	310,000	-
Gansu Jingli Expressway Longnan Management Co., Ltd.	300,266	15,625	-	1	-	-	-	-	315,892	-
Others	16,141,440	2,635,544	(477,815)	(169,355)	(3,724)	3,471	(57,573)	(46,681)	18,025,307	198,163
Subtotal	27,918,961	4,430,962	(1,238,074)	(35,907)	(3,724)	4,074	(62,522)	(46,681)	30,967,089	198,163
Total	38,498,455	4,651,228	(1,278,774)	(58,837)	(3,724)	7,014	(64,822)	(601,152)	41,149,388	417,883

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

12. Long-term equity investments (Continued)

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

RMB'000

Item	Balance of provision for impairment at 31 December 2024	Increase for the year	Decrease for the year	Balance of provision for impairment at 31 December 2025
I. Joint ventures				
Tianjin Zhongji Equipment Manufacture Co., Ltd.	154,830	–	–	154,830
Ningcheng Hongda Mining Co., Ltd.	64,890	–	–	64,890
Subtotal	219,720	–	–	219,720
II. Associates				
Tianjin Seri Machinery Equipment Corporation Ltd.	98,855	–	–	98,855
MCC Jingcheng (Xiangtan) Heavy Industry Equipment Co., Ltd.	54,433	–	–	54,433
Inner Mongolia MCC Debang Real Estate Co., Ltd.	23,168	–	–	23,168
MCC Xiangxi Mining Industry Co., Ltd.	14,586	–	–	14,586
Others	8,933	–	1,812	7,121
Subtotal	199,975	–	1,812	198,163
Total	419,695	–	1,812	417,883

13. Investments in other equity instruments

RMB'000

Item	Carrying amount at 31 December 2025	Carrying amount at 31 December 2024
Investments in non-trading equity instruments		
Including: Stock investments of listed companies	377,089	453,506
Equity investments of unlisted companies	1,412,324	1,244,781
Total	1,789,413	1,698,287

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

13. Investments in other equity instruments (Continued)

Since these investments are non-tradable equity instruments and the Group is not expected to sell them in the foreseeable future, the Group designates these investments as financial assets at FVTOCI. The method for determining the fair values of investments in other equity instruments can be found in Note XII.

RMB'000

Item	Gains or losses recognised in other comprehensive income for the year	Accumulated income/(losses) recognised in other comprehensive income	Dividend income for the year	Reason for designation at fair value through other comprehensive income
Investments in non-tradable equity instruments				
Including: Stock investments of listed companies	41,874	110,769	20,373	Non-trading
Equity investments of unlisted companies	1,032	(77,451)	4,182	Non-trading
Total	42,906	33,318	24,555	/

Investments in other equity instruments derecognised in the year are as follows:

RMB'000

Item	Fair value at derecognition	Accumulated gains transferred to retained earnings upon derecognition	Accumulated losses transferred to retained earnings upon derecognition	Reasons for derecognition
Investments in non-tradable equity instruments				
Including: Stock investments of listed companies	118,290	90,392	-	Disposal
Equity investments of unlisted companies	3,898	856	342	Disposal
Total	122,188	91,248	342	/

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

14. Other non-current financial assets

RMB'000

Item	Carrying amount at 31 December 2025	Carrying amount at 31 December 2024
Financial assets at FVTPL		
Including: Investments in unlisted funds and trust products	4,356,773	4,577,849
Others	17,123	297,720
Total	4,373,896	4,875,569

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

15. Investment properties

2025

RMB'000

Item	Buildings	Land use rights	Total
Cost			
31 December 2024	9,822,469	658,134	10,480,603
Increase for the year	1,425,387	1,048,794	2,474,181
Additions or construction	56,267	–	56,267
Transfer from fixed assets (Note VII, 16)	33,241	–	33,241
Transfer from intangible assets (Note VII, 19)	–	1,048,794	1,048,794
Transfer from inventories	24,633	–	24,633
Transfer from construction in progress	1,269,848	–	1,269,848
Changes in exchange rate	41,398	–	41,398
Decrease for the year	3,694,085	–	3,694,085
Decrease due to disposal of subsidiaries	3,661,626	–	3,661,626
Disposal	27,042	–	27,042
Changes in exchange rate	5,417	–	5,417
31 December 2025	7,553,771	1,706,928	9,260,699

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

15. Investment properties (Continued)

RMB'000

Item	Buildings	Land use rights	Total
Accumulated depreciation and amortisation			
31 December 2024	1,738,607	216,665	1,955,272
Increase for the year	259,474	199,849	459,323
Charge for the year or amortisation	245,376	13,906	259,282
Transfer from fixed assets (Note VII, 16)	13,674	–	13,674
Transfer from intangible assets (Note VII, 19)	–	185,943	185,943
Changes in exchange rate	424	–	424
Decrease for the year	495,430	–	495,430
Decrease due to disposal of subsidiaries	485,004	–	485,004
Disposal	8,425	–	8,425
Changes in exchange rate	2,001	–	2,001
31 December 2025	1,502,651	416,514	1,919,165
Provision for impairment			
31 December 2024	204,563	–	204,563
Increase for the year	996,143	–	996,143
Charge for the year	995,975	–	995,975
Changes in exchange rate	168	–	168
Decrease for the year	1,163,643	–	1,163,643
Decrease due to disposal of subsidiaries	1,163,422	–	1,163,422
Disposal	221	–	221
31 December 2025	37,063	–	37,063
Net book value			
31 December 2025	6,014,057	1,290,414	7,304,471
31 December 2024	7,879,299	441,469	8,320,768

As at 31 December 2025, investment properties of which certificates of title have not been obtained are as follows:

RMB'000

Item	Carrying amount	Reasons for title certificates outstanding
Buildings	47,292	In the process

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

16. Fixed assets

(1) Changes in fixed assets

2025

RMB '000

Item	Buildings	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
Cost					
31 December 2024	31,161,159	20,569,626	2,128,834	4,763,570	58,623,189
Increase for the year	977,011	975,135	116,509	276,533	2,345,188
Additions	384,643	548,782	111,601	213,413	1,258,439
Transfer from construction in progress	325,066	421,719	2,583	59,286	808,654
Transfer from inventories	261,083	–	–	–	261,083
Changes in exchange rate	6,219	4,634	2,325	3,834	17,012
Decrease for the year	9,510,302	10,323,794	724,716	2,549,655	23,108,467
Decrease due to disposal of subsidiaries	9,091,569	9,087,740	496,783	2,347,628	21,023,720
Disposal or retirement	192,540	1,063,822	206,611	153,919	1,616,892
Transfer to construction in progress	65,366	7,529	–	–	72,895
Transfer to investment properties (Note VII, 15)	33,241	–	–	–	33,241
Changes in exchange rate	127,586	164,703	21,322	48,108	361,719
31 December 2025	22,627,868	11,220,967	1,520,627	2,490,448	37,859,910
Accumulated depreciation					
31 December 2024	10,500,657	13,991,796	1,431,927	2,537,721	28,462,101
Increase for the year	1,134,774	1,011,952	170,219	305,576	2,622,521
Charge for the year	1,132,724	1,008,700	168,354	303,878	2,613,656
Changes in exchange rate	2,050	3,252	1,865	1,698	8,865
Decrease for the year	2,655,357	7,541,984	496,079	1,015,764	11,709,184
Decrease due to disposal of subsidiaries	2,424,277	6,452,897	309,759	875,603	10,062,536
Disposal or retirement	147,575	951,935	175,018	124,023	1,398,551
Transfer to construction in progress	19,439	4,423	–	–	23,862
Transfer to investment properties (Note VII, 15)	13,674	–	–	–	13,674
Changes in exchange rate	50,392	132,729	11,302	16,138	210,561
31 December 2025	8,980,074	7,461,764	1,106,067	1,827,533	19,375,438

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

16. Fixed assets (Continued)

(1) Changes in fixed assets (Continued)

RMB'000

Item	Buildings	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
Provision for impairment					
31 December 2024	1,781,029	809,068	26,846	120,813	2,737,756
Increase for the year	2,159,837	143,790	-	-	2,303,627
Charge for the year	2,159,837	143,790	-	-	2,303,627
Decrease for the year	2,479,560	549,517	23,872	119,133	3,172,082
Decrease due to disposal of subsidiaries	2,473,589	494,089	9,409	114,849	3,091,936
Disposal or retirement	443	47,576	14,227	1,707	63,953
Changes in exchange rate	5,528	7,852	236	2,577	16,193
31 December 2025	1,461,306	403,341	2,974	1,680	1,869,301
Net book value					
31 December 2025	12,186,488	3,355,862	411,586	661,235	16,615,171
31 December 2024	18,879,473	5,768,762	670,061	2,105,036	27,423,332

(2) Temporary idle fixed assets

As at 31 December 2025, temporary idle fixed assets are as follows:

RMB'000

Item	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Remark
Buildings	265,746	43,973	210,673	11,100	Seasonal suspension or idle
Office equipment and others	55	52	-	3	Seasonal suspension or idle

(3) Fixed assets under operating leases

RMB'000

Item	Carrying amount at 31 December 2025
Machinery equipment and others	67,612

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For the year ended 31 December 2025

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

16. Fixed assets (Continued)

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

As at 31 December 2025, fixed assets of which certificates of title have not been obtained are as follows:

Item	Carrying amount	Reasons for title certificates outstanding
Buildings	84,713	In progress

RMB'000

17. Construction in progress

(1) Classification of construction in progress

Category	31 December 2025	31 December 2024
Construction in progress	4,716,848	5,432,730
Materials for construction of fixed assets	30,832	61,267
Total	4,747,680	5,493,997

RMB'000

(2) Construction in progress

(a) Items

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Hubei Huangshi Daquan Road Ecological Corridor	1,175,434	-	1,175,434	-	-	-
MCC5 Group Lingang Headquarters Base Project	447,996	-	447,996	31,419	-	31,419
Others	3,095,629	2,211	3,093,418	5,408,122	6,811	5,401,311
Total	4,719,059	2,211	4,716,848	5,439,541	6,811	5,432,730

RMB'000

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For the year ended 31 December 2025

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

17. Construction in progress (Continued)

(2) Construction in progress (Continued)

(b) Changes of significant items of construction in progress

2025

RMB'000

Item	Budget amount	31 December 2024	Increase for the year	Transfer to fixed assets, intangible assets and investment properties	Decrease due to disposal of subsidiaries	Other decrease for the year	31 December 2025	Cost incurred as a percentage of budgeted amount (%)	Accumulated capitalised borrowing costs	Including: Capitalised borrowing costs for the year	Rate of borrowing costs capitalised for the current year (%)	Sources of fund
Hubei Huangshi Daquan Road Ecological Corridor	1,578,905	-	1,175,434	-	-	-	1,175,434	74.45	31,366	-	3.68	Self-financing and loans from financial institutions
MCC5 Group Lingang Headquarters Base Project	916,180	31,419	421,031	(4,454)	-	-	447,996	82.40	-	-	/	Own funds
Others	58,251,846	5,408,122	3,999,961	(2,108,128)	(4,053,707)	(150,619)	3,095,629	/	41,369	59,180	/	/
Total	60,746,931	5,439,541	5,596,426	(2,112,582)	(4,053,707)	(150,619)	4,719,059	/	72,715	59,180	/	/

In 2025, impairment provision for construction in progress accrued by the Group was RMB52,512,000 (2024: nil). The provision for impairment of construction in progress decreased by RMB56,358,000 in the current year due to disposal of subsidiaries. As at 31 December 2025, the Group's impairment provision for construction in progress amounted to RMB2,211,000 (as at 31 December 2024: RMB6,811,000).

(3) Materials for construction of fixed assets

RMB'000

Item	31 December 2025	31 December 2024
Materials	14,558	18,430
Equipment	16,274	42,572
Tools and instruments prepared for production	-	265
Total	30,832	61,267

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For the year ended 31 December 2025

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

18. Right-of-use assets

2025

RMB'000

Item	Buildings	Transportation vehicles	Machinery and equipment	Others	Total
Cost					
31 December 2024	1,086,638	30,561	192,077	117,419	1,426,695
Increase for the year	418,283	2,602	352	34,397	455,634
New leases	418,028	2,602	350	29,414	450,394
Changes in exchange rate	255	–	2	4,983	5,240
Decrease for the year	480,027	30,650	157,649	50,984	719,310
Decrease due to disposal of subsidiaries	209,198	–	–	10,235	219,433
Disposal	269,425	30,650	157,649	37,682	495,406
Changes in exchange rate	1,404	–	–	3,067	4,471
31 December 2025	1,024,894	2,513	34,780	100,832	1,163,019
Accumulated depreciation					
31 December 2024	568,636	30,045	187,275	72,828	858,784
Increase for the year	228,063	370	1,947	17,288	247,668
Charge for the year	228,050	370	1,946	15,114	245,480
Changes in exchange rate	13	–	1	2,174	2,188
Decrease for the year	300,485	27,929	155,413	24,526	508,353
Decrease due to disposal of subsidiaries	133,754	–	–	3,278	137,032
Disposal	166,224	27,929	155,413	21,146	370,712
Changes in exchange rate	507	–	–	102	609
31 December 2025	496,214	2,486	33,809	65,590	598,099
Net book value					
31 December 2025	528,680	27	971	35,242	564,920
31 December 2024	518,002	516	4,802	44,591	567,911

In 2025, the Group's short-term leasing fee and leasing fee for assets with low value, which are simplified and charged to current profit or loss, totalled RMB1,042,441,000 (2024: RMB1,100,303,000).

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For the year ended 31 December 2025

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

19. Intangible assets

2025

RMB'000

Item	Land use rights	Mining rights	Franchise	Computer software	Trademark rights	Patent, proprietary technology and others	Total
Cost							
31 December 2024	8,211,201	4,161,433	29,581,531	1,182,841	270	677,893	43,815,169
Increase for the year	43,457	165,932	493,280	156,998	-	1,227	860,894
Purchase	43,457	72,232	493,280	122,908	-	1,054	732,931
Transfer from construction in progress	-	-	-	34,080	-	-	34,080
Changes in exchange rate	-	93,700	-	10	-	173	93,883
Decrease for the year	1,705,890	1,858,804	3,685,198	165,047	-	47,525	7,462,464
Decrease due to disposal of subsidiaries	567,630	1,851,574	3,670,120	144,662	-	45,729	6,279,715
Transfer to investment properties (Note VII, 15)	1,048,794	-	-	-	-	-	1,048,794
Disposal or retirement	88,128	-	15,078	19,583	-	1,590	124,379
Changes in exchange rate	1,338	7,230	-	802	-	206	9,576
31 December 2025	6,548,768	2,468,561	26,389,613	1,174,792	270	631,595	37,213,599
Accumulated amortisation							
31 December 2024	2,242,254	64,255	4,474,638	819,294	270	179,586	7,780,297
Increase for the year	171,082	33,409	1,233,992	101,713	-	28,505	1,568,701
Charge for the year	171,082	33,409	1,233,992	101,709	-	28,499	1,568,691
Changes in exchange rate	-	-	-	4	-	6	10
Decrease for the year	349,214	61,107	653,533	110,852	-	41,701	1,216,407
Decrease due to disposal of subsidiaries	135,161	60,847	640,181	90,931	-	40,108	967,228
Transfer to investment properties (Note VII, 15)	185,943	-	-	-	-	-	185,943
Disposal or retirement	28,069	-	13,352	19,215	-	1,590	62,226
Changes in exchange rate	41	260	-	706	-	3	1,010
31 December 2025	2,064,122	36,557	5,055,097	810,155	270	166,390	8,132,591

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For the year ended 31 December 2025

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

19. Intangible assets (Continued)

RMB'000

Item	Land use rights	Mining rights	Franchise	Computer software	Trademark rights	Patent, proprietary technology and others	Total
Provision for impairment							
31 December 2024	52,219	2,338,304	-	250	-	4,508	2,395,281
Increase for the year	1,947	93,700	704	-	-	-	96,351
Charge for the year	1,947	-	704	-	-	-	2,651
Changes in exchange rate	-	93,700	-	-	-	-	93,700
Decrease for the year	2,748	-	704	229	-	4,508	8,189
Decrease due to disposal of subsidiaries	1,947	-	-	229	-	4,508	6,684
Disposal	-	-	704	-	-	-	704
Changes in exchange rate	801	-	-	-	-	-	801
31 December 2025	51,418	2,432,004	-	21	-	-	2,483,443
Carrying amount							
31 December 2025	4,433,228	-	21,334,516	364,616	-	465,205	26,597,565
31 December 2024	5,916,728	1,758,874	25,106,893	363,297	-	493,799	33,639,591

As at 31 December 2025, the percentage of the internally developed intangible assets of the total intangible assets of the Group was 0.007% (as at 31 December 2024: 0.003%).

As at 31 December 2025, the accumulated impairment provision for intangible assets related to the Cape Lambert Iron Project amounted to RMB2,411,504,000, including the provision for the decrease of exchange fluctuation of Australian dollars of RMB139,473,000. The related intangible assets belong to the featured business segment.

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

20. Goodwill

(1) Changes in carrying amount of goodwill

RMB'000

Investee	31 December 2024	Changes	31 December 2025
Chengdu Yexingrunda New Building Materials Co., Ltd.	1,162	–	1,162
Shanghai Jinmin Real Estate Co., Ltd.	6,483	–	6,483
Chengde Tiangong Architectural Design Co., Ltd.	33,460	–	33,460
China Metallurgical Construction Engineering Group Chongqing Heyuan Concrete Co. Ltd.	18,533	–	18,533
Beijing Tianrun Construction Co., Ltd.	5,142	–	5,142
MCC Minera Sierra Grande S. A.	12,715	(278)	12,437
Shanghai WuGang Equipment Engineering Co., Ltd.	1,114	–	1,114
Beijing HaiKe Real Estate Development Co., Ltd.	6,477	(6,477)	–
Subtotal	85,086	(6,755)	78,331
Less: Provision for impairment	31,163	(193)	30,970
Total	53,923	(6,562)	47,361

(2) Changes in provision for impairment of goodwill

RMB'000

Investee	31 December 2024	Changes	31 December 2025
China Metallurgical Construction Engineering Group Chongqing Heyuan Concrete Co., Ltd.	11,971	6,562	18,533
MCC Minera Sierra Grande S. A.	12,715	(278)	12,437
Beijing HaiKe Real Estate Development Co., Ltd.	6,477	(6,477)	–
Total	31,163	(193)	30,970

When the Group performs impairment assessment on goodwill arising from business combination, the Group allocates the book value of goodwill to the asset group or portfolio that is expected to benefit from the synergistic effect of enterprise merger and evaluates the recoverable amount of the asset group or portfolio that contains the apportioned goodwill.

FINANCIAL STATEMENTS

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

20. Goodwill (Continued)

(2) Changes in provision for impairment of goodwill (Continued)

The recoverable amount of the asset groups is calculated based on the present value of future cash flows which is approved by the management. Cash flow projections during the forecast period for the asset groups are based on the expected growth rates and profit margins during the forecast period. The growth rate forecast is determined based on the expected growth rate of the industry. The profit margin forecast is determined based on the past performance of the market and the expectations of management. The recoverable amount of the asset groups of the other invested companies is calculated based on the present value of future cash flows but is not significant to the Group.

21. Long-term prepaid expenses

RMB'000

Item	31 December 2024	Increase for the year	Amortisation for the year	Decrease due to disposal of subsidiaries	31 December 2025
Leasehold improvements	108,208	24,419	27,916	(1,218)	103,493
Insurance premiums	3,796	–	753	–	3,043
Maintenance fee	40,027	9,750	12,279	(4,626)	32,872
Others	209,460	53,278	58,539	(1,149)	203,050
Total	361,491	87,447	99,487	(6,993)	342,458

22. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB'000

Item	31 December 2025		31 December 2024	
	Deductible temporary differences/tax losses	Deferred tax assets	Deductible temporary differences/tax losses	Deferred tax assets
Provision for impairment of assets	47,755,044	8,151,897	43,572,459	7,413,743
Unrealised profit on inter-company transactions	998,588	213,130	2,586,917	596,388
Accrued expenses	433,006	82,846	1,174,390	255,850
Deductible losses	1,488,262	234,053	1,386,548	243,003
Defined benefit plan	193,874	41,750	810,256	188,534
Lease liabilities	619,636	105,012	630,899	112,321
Employee benefits payable	497,040	89,152	446,162	77,727
Changes in fair value	275,484	47,870	277,478	48,659
Others	1,012,408	179,202	1,050,964	187,855
Total	53,273,342	9,144,912	51,936,073	9,124,080

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

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

(2) Deferred tax liabilities before offsetting

RMB'000

Item	31 December 2025		31 December 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Right-of-use assets	518,346	84,402	535,251	92,761
Changes in fair value of investments in other equity instruments	265,944	34,952	294,868	46,444
Appreciation of assets upon business combination not under common control	–	–	110,379	26,844
Others	688,282	160,187	776,088	169,004
Total	1,472,572	279,541	1,716,586	335,053

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

RMB'000

Item	31 December 2025		31 December 2024	
	The offset amount of deferred tax assets and liabilities	Deferred tax assets and liabilities after offsetting	The offset amount of deferred tax assets and liabilities	Deferred tax assets and liabilities after offsetting
Deferred tax assets	159,505	8,985,407	188,041	8,936,039
Deferred tax liabilities	159,505	120,036	188,041	147,012

(4) Details of unrecognised deferred tax assets

RMB'000

Item	31 December 2025	31 December 2024
Deductible temporary differences	15,257,648	20,078,195
Deductible losses	6,574,162	11,480,779
Total	21,831,810	31,558,974

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For the year ended 31 December 2025

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

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

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

RMB'000

Maturity date	31 December 2025	31 December 2024
Within 1 year	604,414	652,758
1 to 2 years	910,669	685,920
2 to 3 years	1,065,536	1,918,845
3 to 4 years	1,768,136	1,813,642
Over 4 years	2,225,407	6,409,614
Total	6,574,162	11,480,779

23. Other non-current assets

RMB'000

Item	31 December 2025	31 December 2024
Contract assets for PPP project	15,250,033	7,458,935
Warranty deposit	16,987,590	14,116,043
Debt-expiated assets	4,691,307	3,025,813
Prepayments for purchase of long-term assets	48,687	551,393
Others	65,411	76,747
Subtotal	37,043,028	25,228,931
Less: Impairment provision	978,746	849,829
Total	36,064,282	24,379,102

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

2025

RMB'000

Item	31 December 2024	Provision for the year	Reversal for the year	Decrease due to disposal of subsidiaries	Other movements	31 December 2025
Provision for impairment of assets	849,829	146,956	(57,037)	(115)	39,113	978,746

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For the year ended 31 December 2025

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

24. Assets with restricted ownership or right to use

31 December 2025

RMB'000

Item	31 December 2025	Reason for restriction
Cash and bank balances	8,278,623	Frozen/Regulated
Notes receivable	830	Pledge
Notes receivable	3,005,479	Endorsed or discounted
Accounts receivable	4,081,368	Pledge
Long-term receivables	543,940	Pledge
Receivables financing	178,371	Pledge
Inventories	207,717	Mortgage/Frozen
Investment properties	1,990,740	Mortgage/Frozen
Fixed assets	418,029	Mortgage/Frozen
Construction in progress	81,481	Mortgage
Intangible assets	7,364,003	Mortgage
Other non-current assets	9,322,336	Pledge
Total	35,472,917	/

31 December 2024

RMB'000

Item	31 December 2024	Reason for restriction
Cash and bank balances	9,368,247	Frozen/Regulated
Notes receivable	29,023	Pledge
Notes receivable	2,785,078	Endorsed or discounted
Accounts receivable	2,678,587	Pledge
Other receivables	1,962,098	Pledge
Long-term receivables	2,151,772	Pledge
Receivables financing	311,689	Pledge
Inventories	13,740,863	Mortgage/Frozen
Investment properties	1,098,804	Mortgage/Frozen
Fixed assets	369,963	Mortgage/Frozen
Intangible assets	9,150,361	Mortgage/Pledge/Frozen
Other non-current assets	6,752,090	Pledge
Total	50,398,575	/

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

25. Short-term borrowings

RMB'000

Item	31 December 2025	31 December 2024
Pledged loans (a)	797,534	212,218
Mortgaged loans (b)	703,997	612,863
Credit loans	20,625,682	33,028,755
Total	22,127,213	33,853,836

(a) As at 31 December 2025, the pledged loans of RMB797,534,000 (as at 31 December 2024: RMB212,218,000) were secured by the pledge of the Group's accounts receivable in an aggregate carrying amount of RMB797,534,000 (as at 31 December 2024: RMB212,218,000).

(b) As at 31 December 2025, the mortgaged loans of RMB703,997,000 (as at 31 December 2024: RMB612,863,000) were secured by the mortgage of the Group's investment properties, intangible assets and fixed assets in an aggregate carrying amount of RMB812,227,000 (as at 31 December 2024: RMB816,998,000).

As at 31 December 2025, the Group had no significant overdue short-term borrowings.

26. Derivative financial liabilities

RMB'000

Item	31 December 2025	31 December 2024
Forward exchange contracts	–	2,988
Currency swap contracts	648,732	752,975
Total	648,732	755,963

27. Notes payable

RMB'000

Category	31 December 2025	31 December 2024
Bank acceptances	24,323,332	27,838,085
Commercial acceptances	1,284,983	2,309,324
Total	25,608,315	30,147,409

As at 31 December 2025, the Group had no significant overdue notes payable.

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For the year ended 31 December 2025

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

28. Accounts payable

(1) Classification of accounts payable

RMB'000

Item	31 December 2025	31 December 2024
Project fees	289,213,441	235,252,263
Purchases	73,818,529	69,380,250
Labour fees	29,030,083	24,921,867
Quality guarantee deposit	1,745,277	1,905,050
Design fees	664,999	665,277
Others	2,128,544	2,960,336
Total	396,600,873	335,085,043

(2) Aging analysis of accounts payable

RMB'000

Aging	31 December 2025	31 December 2024
Within 1 year	283,249,627	258,934,577
1 to 2 years	73,677,289	45,451,153
2 to 3 years	20,907,224	14,764,244
Over 3 years	18,766,733	15,935,069
Total	396,600,873	335,085,043

As at 31 December 2025, accounts payable of RMB113,351,246,000 aged over one year were mainly due to project and materials payable, as both parties remained business transactions and the amount has not been settled. As at 31 December 2025, there are no significant accounts payable that are individually older than 1 year or overdue. The aging of the Group's accounts payable is based on the point of settlement of works or cost recognition.

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

As at 31 December 2025, the outstanding accounts payable balance under the arrangement amounted to RMB41,478,897,000 (as at 31 December 2024: RMB33,054,685,000), of which RMB39,138,622,000 represents funds already received by suppliers from the financing providers.

FINANCIAL STATEMENTS

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

28. Accounts payable (Continued)

(2) Aging analysis of accounts payable (Continued)

Payment maturity range:

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

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

29. Receipts in advance

RMB'000

Item	31 December 2025	31 December 2024
Receipts in advance	69,347	99,579
Total	69,347	99,579

As at 31 December 2025, there are no significant receipts in advance aged over one year or any receipts in advance with significant changes in carrying amount.

30. Contract liabilities

(1) Classification of contract liabilities

RMB'000

Item	31 December 2025	31 December 2024
Contract liabilities relating to engineering contracting service contracts	53,661,656	51,306,585
Contract liabilities relating to sales contracts	1,260,911	2,738,063
Contract liabilities formed by receipt of property sales amount in advance	880,214	6,086,924
Contract liabilities relating to contracts of other customers	334,255	1,059,077
Total	56,137,036	61,190,649

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For the year ended 31 December 2025

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

30. Contract liabilities (Continued)

(2) Qualitative analysis on contract liabilities

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

- (a) As presented in Note VII, 8, the engineering contracting services provided by the Group require regular settlements with the customers. Under normal circumstances, there are some time differences among the implementation and settlement progress of the engineering contracting service contracts or the progress of receipt. As at 31 December 2025, the implementation progress of some engineering contracting service contracts lagged behind the settlement progress or receipt progress, which means the Group has acquired the contract consideration or the right to gain contract consideration unconditionally, thus forming the contract liabilities relating to engineering contracting services. In 2025, the Group recognised RMB32,144,681,000 in RMB51,306,585,000 of contract liabilities related to the engineering contracting service on 31 December 2024 as the engineering contracting income for the current year based on the performance of engineering contracting service contracts signed with clients, and the remaining amounts will be recognised when the Group performs its obligations for its clients in subsequent years.
- (b) The sales contracts and property sales contracts of the Group are normally satisfied at a point in time. The Group will recognise revenue at the time of acquiring the control of the related goods. As at 31 December 2025, the implementation time of performance obligation of the Group in the sales contracts and property sales contracts were later than the payment time of the customers, thus forming the related contract liabilities of the sales contracts and property sales contracts

As at 31 December 2025, there are no significant contract liabilities aged over one year or any contract liabilities with significant changes in carrying amount.

31. Employee benefits payable

(1) Classification of employee benefits payable

RMB'000

Item	31 December 2024	Increase for the year	Decrease for the year	31 December 2025
Short-term employee benefits	2,734,509	24,246,394	24,125,297	2,855,606
Post-employment benefits – defined contribution plan	255,927	3,827,754	3,829,518	254,163
Termination benefits	35,746	110,215	145,574	387
Other benefits	63,863	1,813,776	1,825,808	51,831
Total	3,090,045	29,998,139	29,926,197	3,161,987

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For the year ended 31 December 2025

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

31. Employee benefits payable (Continued)

(2) Short-term employee benefits

RMB'000

Item	31 December 2024	Increase for the year	Decrease for the year	31 December 2025
Wages or salaries, bonuses, allowances and subsidies	1,289,388	18,790,196	18,591,372	1,488,212
Employee welfare	25,767	1,167,258	1,166,392	26,633
Social insurance contributions	44,996	1,797,536	1,803,192	39,340
Including: Medical insurance	41,129	1,628,107	1,633,028	36,208
Work injury insurance	3,090	139,731	139,946	2,875
Maternity insurance	777	29,698	30,218	257
Housing funds	85,471	1,977,275	1,969,017	93,729
Union running costs and employee education costs	1,288,887	514,129	595,324	1,207,692
Total	2,734,509	24,246,394	24,125,297	2,855,606

(3) Defined contribution plan

RMB'000

Item	31 December 2024	Increase for the year	Decrease for the year	31 December 2025
Basic pension insurance	103,901	2,687,527	2,685,400	106,028
Unemployment insurance	4,818	91,977	92,225	4,570
Annuity	147,208	1,048,250	1,051,893	143,565
Total	255,927	3,827,754	3,829,518	254,163

The Group participated in the social insurance premiums plans set up by the government according to the regulations. According to the plan, the Group makes deposits into the plans according to the regulations. Other than the deposits mentioned above, the Group does not need to make any further payments. The corresponding expenses shall be charged to the profit and loss or the cost of related assets in the period as and when incurred.

In 2025, the Group made deposits amounting to RMB3,827,754,000 (2024: RMB3,988,299,000) to the defined contribution plans. As at 31 December 2025, there was a payable amount of RMB254,163,000 (as at 31 December 2024: RMB255,927,000) accrued but not paid during the reporting period.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

32. Taxes payable

RMB'000

Item	31 December 2025	31 December 2024
VAT	695,333	742,020
Enterprise income tax	1,621,331	2,121,916
Individual income tax	288,216	344,699
Urban maintenance and construction tax	30,597	50,950
Education surcharge	19,843	35,825
Land appreciation tax	192,438	1,138,719
Others	121,382	537,876
Total	2,969,140	4,972,005

33. Other payables

(1) Classification of other payables

RMB'000

Category	31 December 2025	31 December 2024
Interest payable	34,190	24,025
Dividends payable	992,051	1,238,350
Other payables	49,229,937	54,535,359
Total	50,256,178	55,797,734

(2) Interest payable

RMB'000

Item	31 December 2025	31 December 2024
Interest payables of short-term borrowings	31,737	23,253
Others	2,453	772
Total	34,190	24,025

As at 31 December 2025, the Group had no material outstanding interest payable.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

33. Other payables (Continued)

(3) Dividends payable

RMB'000

Item	31 December 2025	31 December 2024
Interest on perpetual bonds classified as equity instrument	555,048	781,773
Shareholders' dividends	437,003	456,577
Total	992,051	1,238,350

As at 31 December 2025, dividends aged over one year but not settled yet amounted to RMB169,040,000, and relevant subsidiaries are discussing with the shareholders for the payments schedule.

(4) Other payables

RMB'000

Item	31 December 2025	31 December 2024
Current accounts	31,060,956	33,989,190
Guarantees	12,439,603	13,587,846
Deposits	1,332,078	1,304,088
Others	4,397,300	5,654,235
Total	49,229,937	54,535,359

As at 31 December 2025, other payables aged over one year of RMB16,707,316,000 (as at 31 December 2024: RMB12,120,265,000) were mainly current accounts, guarantees and deposits payable collected by the Group. Since both parties remained business transactions, the amount has not been settled.

As at 31 December 2025, there are no significant other payables with an aging of more than one year or overdue individually.

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For the year ended 31 December 2025

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

34. Non-current liabilities due within one year

RMB'000

Item	31 December 2025	31 December 2024
Long-term borrowings due within one year (Note VII, 36)	13,791,192	12,960,588
Bonds payable due within one year (Note VII, 37)	48,833	1,455,291
Lease liabilities due within one year (Note VII, 38)	191,694	153,900
Long-term payables due within one year (Note VII, 39)	242,742	282,773
Employee benefits payable due within one year (Note VII, 40)	264,502	310,776
Total	14,538,963	15,163,328

35. Other current liabilities

RMB'000

Item	31 December 2025	31 December 2024
Amounts to be transferred to output VAT	34,296,794	33,474,309
Total	34,296,794	33,474,309

36. Long-term borrowings

RMB'000

Item	31 December 2025	31 December 2024
Pledged loans (a)	15,150,264	12,970,188
Mortgaged loans (b)	1,598,197	6,168,873
Guaranteed loans (c)	1,308,389	117,989
Credit loans	37,181,034	34,015,069
Total	55,237,884	53,272,119
Including: Long-term borrowings due within one year (Note VII, 34)	13,791,192	12,960,588
Including: Pledged loans	2,628,338	1,323,461
Mortgage loan	49,660	2,976,805
Credit loans	11,113,194	8,660,322
Long-term borrowings due over one year	41,446,692	40,311,531

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For the year ended 31 December 2025

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

36. Long-term borrowings (Continued)

- (a) As at 31 December 2025, long-term borrowings of RMB15,150,264,000 (as at 31 December 2024: RMB12,970,188,000) were secured by the pledge of the Group's accounts receivable, other receivables, long-term receivables, intangible assets and other non-current assets in amount of RMB19,945,876,000 (as at 31 December 2024: RMB20,910,853,000).
- (b) As at 31 December 2025, long-term borrowings of RMB1,598,197,000 (as at 31 December 2024: RMB6,168,873,000) were secured by the mortgage of the Group's intangible assets, fixed assets, investment properties, and inventories in amount of RMB2,314,137,000 (as at 31 December 2024: RMB15,100,136,000).
- (c) As at 31 December 2025, long-term borrowings of RMB1,308,389,000 (as at 31 December 2024: RMB117,989,000) were guaranteed by third party.

RMB'000

Maturity date of long-term borrowings due over one year	31 December 2025	31 December 2024
1 to 2 years	10,146,226	11,321,041
2 to 5 years	14,083,369	11,326,548
Over 5 years	17,217,097	17,663,942
Total	41,446,692	40,311,531

In 2025, the weighted average interest rate of long-term borrowings was 3.46% per annum (2024: 3.70% per annum). As at 31 December 2025, the Group did not have any significant overdue long-term borrowings.

37. Bonds payable

RMB'000

Item	31 December 2025	31 December 2024
Corporate bonds	–	2,069,231
Non-public targeted bond financing instruments	–	1,337,227
Medium-term notes	2,048,833	2,048,833
Total	2,048,833	5,455,291
Including: Bonds payable due within one year (Note VII, 34)	48,833	1,455,291
Bonds payable due over one year	2,000,000	4,000,000

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For the year ended 31 December 2025

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

37. Bonds payable (Continued)

In 2025, the movements of bonds payable are as follows:

RMB'000

Name of bonds	Nominal value	Issue date	Bond maturity	Issue amount	31 December 2024	Issued in the current year	Resale in the current year	Interest accrued based on face value	Repurchase in the current year	Repaid in the current year	Decrease due to disposal of subsidiaries	31 December 2025
Corporate bonds publicly issued by the Company in 2024 (first tranche) (a)	1,000,000	2024/2/21 to 2024/2/22	10 years	1,000,000	1,024,483	-	-	29,400	-	29,400	-	1,024,483
Corporate bonds publicly issued by the Company in 2024 (second tranche) (b)	1,000,000	2024/2/23 to 2024/2/26	10 years	1,000,000	1,024,350	-	-	29,200	-	29,200	-	1,024,350
Corporate bonds issued by MCC Real Estate Group Co., Ltd. to Professional Investors in 2023 (first tranche) (c)	2,000,000	2023/3/16 to 2023/3/17	5 years	2,000,000	2,069,231	-	210,000	71,514	210,000	84,200	2,056,545	-
Medium-term notes issued by MCC Real Estate Group Co., Ltd. in 2025 (first tranche) (d)	1,345,000	2025/3/5 to 2025/3/6	5 years	1,345,000	-	1,345,000	-	38,669	-	-	1,383,669	-
Targeted debt financing instruments issued by MCC Real Estate Group Co., Ltd. in 2022 (first tranche) (e)	1,300,000	2022/3/23 to 2022/3/24	3 years	1,300,000	1,337,227	-	-	8,273	-	1,345,500	-	-
Total	6,645,000	/	/	6,645,000	5,455,291	1,345,000	210,000	177,056	210,000	1,488,300	3,440,214	2,048,833

- (a) The Company issued medium-term notes on a public issuance basis from 21 February 2024 to 22 February 2024 at an equal price with the face value of RMB1,000,000,000 with a term of ten years from issuance and interest bearing at a fixed rate of 2.94%. Interest will be paid every year and principal will be paid upon maturity date. As at 31 December 2025, there was no default on the bonds.
- (b) The Company issued medium-term notes on a public issuance basis from 23 February 2024 to 26 February 2024 at an equal price with the face value of RMB1,000,000,000 with a term of ten years from issuance and interest bearing at a fixed rate of 2.92%. Interest will be paid every year and principal will be paid upon maturity date. As at 31 December 2025, there was no default on the bonds.
- (c) MCC Real Estate Group Co., Ltd. ("MCC Real Estate"), one of the Company's subsidiaries, issued corporate bonds to professional investors on a public issuance basis from 16 March 2023 to 17 March 2023 at an equal price with the face value of RMB2,000,000,000 with a term of five years from issuance and interest bearing at an initial annual interest rate of 4.21%. Interest will be paid every year and principal will be paid upon maturity date, and accompanied by an investor resale option and an issuer interest rate adjustment option. During this year, the Company repurchased and resold bonds with a total amount of RMB210,000,000. As at 31 December 2025, the bonds have decreased due to disposal of subsidiaries.

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For the year ended 31 December 2025

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

37. Bonds payable (Continued)

In 2025, the movements of bonds payable are as follows: (Continued)

- (d) MCC Real Estate, one of the Company's subsidiaries, issued medium-term notes from 5 March 2025 to 6 March 2025 at an equal price with the face value of RMB1,345,000,000 with a term of five years from issuance and interest bearing at a fixed annual rate of 3.45%. Interest will be paid every year and principal will be paid upon maturity date. As at 31 December 2025, the bonds have decreased due to disposal of subsidiaries.
- (e) MCC Real Estate, one of the Company's subsidiaries, issued debt financing instruments on a non-public issuance basis from 23 March 2022 to 24 March 2022 at an equal price with the face value of RMB1,300,000,000 with a term of three years from issuance and interest bearing at a fixed rate of 4.79%. Interest will be paid every year and principal will be paid upon maturity date, with the option of selling back and adjusting the bond interest rate every full year. As at 31 December 2025, the bonds have been repaid in full.

38. Lease liabilities

RMB'000

Item	31 December 2025	31 December 2024
Building lease	565,409	550,320
Other leases	36,682	26,281
Total	602,091	576,601
Less: Lease liabilities due within one year (<i>Note VII, 34</i>)	191,694	153,900
Lease liabilities due over one year	410,397	422,701

RMB'000

Maturity date of lease liabilities	31 December 2025	31 December 2024
1st year subsequent to the balance sheet date	216,118	169,674
2nd year subsequent to the balance sheet date	141,682	128,783
3rd year subsequent to the balance sheet date	91,445	99,937
Subsequent years	225,955	249,804
Total minimum lease payments	675,200	648,198
Less: Unrecognised financing cost	73,109	71,597
Total lease liabilities	602,091	576,601

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

39. Long-term payables

RMB'000

Item	31 December 2025	31 December 2024
Long-term payables	1,207,887	1,592,421
Special payables	27,133	32,237
Total	1,235,020	1,624,658
Less: Long-term payables due within one year (Note VII, 34)	242,742	282,773
Long-term payables due over one year	992,278	1,341,885

(1) Long-term payables disclosed by nature

RMB'000

Item	31 December 2025	31 December 2024
Housing maintenance fund	28,997	41,960
Amounts due to funds	376,858	376,858
Payments for construction and quality guarantee deposit	624,089	833,660
Others	177,943	339,943
Total	1,207,887	1,592,421
Less: Long-term payables due within one year	242,742	282,773
Long-term payables due over one year	965,145	1,309,648

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For the year ended 31 December 2025

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

39. Long-term payables (Continued)

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

RMB'000

Maturity date	31 December 2025	31 December 2024
1 to 2 years	363,576	373,989
2 to 5 years	177,774	491,140
Over 5 years	423,795	444,519
Total	965,145	1,309,648

(3) In 2025, the movements of special payables are as follows:

RMB'000

Item	31 December 2024	Increase for the year	Decrease for the year	31 December 2025	Including: Amount due within one year
Special payables for water/power/gas supply and property ^(Note)	22,415	–	816	21,599	–
Others	9,822	1,519	5,807	5,534	–
Total	32,237	1,519	6,623	27,133	–

Note: The Group has commenced the transfer of water/power/gas supply and property with the received special payables for water/power/gas supply and property aggregated to the special payables for settlement, in accordance with the Notice of Rewarding the Guidance on the Separation and Transfer of Water/Power/Gas Supply and Property in Residential Quarters for Employees of the State-owned Enterprises by State-owned Assets Supervision and Administration Commission of the State Council, the MoF from the General Office of the State Council (Guo Ban Fa [2016] No. 45), and the Management of Central Government Grants on the Separation and Transfer of Water/Power/Gas Supply and Property to Employees and Their Relatives of Central Enterprises (Cai Zi [2016] No. 38) and other related management documents.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

40. Long-term employee benefits payable

RMB'000

Item	31 December 2025	31 December 2024
Post-employment benefits – Net liability arising from defined benefit plans	2,740,057	3,751,124
Less: Long-term employee benefits payable due within one year (Note VII, 34)	264,502	310,776
Long-term employee benefits payable due over one year	2,475,555	3,440,348

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

RMB'000

Item	2025	2024
Opening balance	3,751,124	3,727,813
Defined benefit costs recognised in profit or loss	(397,580)	91,467
Past service cost	(461,101)	2,433
Net interest expense	63,521	89,034
Defined benefit costs recognised in other comprehensive income	(78,261)	260,386
Actuarial (profit)/losses	(78,261)	260,386
Other changes	(535,226)	(328,542)
Benefits paid	(312,894)	(328,542)
Decrease due to disposal of subsidiaries	(222,332)	–
Closing balance	2,740,057	3,751,124

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

40. Long-term employee benefits payable (Continued)

The balance of RMB1,390,227,000 of defined benefit plan is a supplementary retirement benefit for employees who retired before 31 December 2007 and RMB1,349,830,000 is a supplementary retirement benefit for employees who retire before 31 December 2025. The retirement benefits received depend on the position, seniority, salary of the staff when the staff retires. The Group's supplementary retirement benefits obligation at the balance sheet date are calculated by an external independent actuary "Beijing Branch of Towers Watson Management Consulting (Shenzhen) Co., Ltd." using projected unit credit actuarial cost method.

Defined benefits plan exposes the Group to various risks, mainly including the risk of change of interest rate of treasury bonds, inflation rate risk, and risk of the increase in life expectancy. The decrease of the interest rate of treasury bonds will increase the defined benefit plan obligations. The Group is of the view that the interest rate of treasury bonds will not have significant fluctuations in the future. The changes of inflation rate will have impact on the significant assumptions of the living costs of the underlying staff and survivors, and the growth rate of the staff medical expense reimbursements. The Group believes these risks are not significant. The increase of the life expectancy will increase the defined benefit plan obligations.

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

RMB'000

Item	31 December 2025	31 December 2024
Discount rate	2.00%	1.75%
Mortality rate	CLA CL5/CL6 up 3	CLA CL5/CL6 up 3
Annual growth rate of living cost for retirement staff and survivors	4.50%	4.50%
Annual growth rate of various employee medical expense reimbursement	8.00%	8.00%

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

40. Long-term employee benefits payable (Continued)

The quantitative sensitivity analysis of the significant assumptions used are as below:

2025

RMB'000

	(decrease)/Increase in the defined benefit plan obligations		Increase/(decrease) in the defined benefit plan obligations	
	Increase (%)		Decrease (%)	
Discount rate	0.25	(66,827)	0.25	69,958
Annual growth rate of living cost for retirement staff and survivors	1.00	7,770	1.00	(7,210)
Annual growth rate of various employee medical expense reimbursement	1.00	125,800	1.00	(104,144)

2024

RMB'000

	(decrease)/Increase in the defined benefit plan obligations		Increase/(decrease) in the defined benefit plan obligations	
	Increase (%)		Decrease (%)	
Discount rate	0.25	(84,657)	0.25	88,566
Annual growth rate of living cost for retirement staff and survivors	1.00	9,837	1.00	(9,006)
Annual growth rate of various employee medical expense reimbursement	1.00	149,658	1.00	(123,134)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit plan obligations as a result of reasonable changes in key assumptions occurring at the balance sheet date. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit plan obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

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

40. Long-term employee benefits payable (Continued)

The relevant plans recognised in profit or loss are as follows:

	RMB'000	
	2025	2024
Past service cost	(461,101)	2,433
Net interest expense	63,521	89,034
Net post-employment benefit costs	(397,580)	91,467
Including: Charge to administrative expenses	(461,101)	2,433
Charge to financial expenses	63,521	89,034
Total	(397,580)	91,467

41. Provisions

RMB'000

Item	31 December 2024	Increase for the year	Decrease for the year	Decrease from disposal of subsidiaries	31 December 2025
Pending litigations (a)	189,381	120,209	34,438	29,067	246,085
Product quality guarantees (b)	11,837	14,249	6,202	–	19,884
Restoration, rehabilitation and environmental provision (c)	258,105	15,646	77	270,697	2,977
Onerous contract to be performed (d)	188,396	34,920	51,459	–	171,857
The separation and hand-over cost of "Special payables for water/power/gas supply and property" (e)	98,946	–	234	–	98,712
Others	257,282	131,295	244,190	117,190	27,197
Total	1,003,947	316,319	336,600	416,954	566,712
Including: Provisions due over one year	1,003,947	316,319	336,600	416,954	566,712

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

41. Provisions (Continued)

- (a) The Group recognizes provisions for pending litigation where an unfavorable outcome is considered probable, creating a present obligation, and that an outflow of resources would be required to settle these obligations and the amount had been reliably estimated.
- (b) According to the sales contract, the Group needed to bear the present obligations of the product quality guarantees, and an outflow of resources would be required to settle this obligation and the amount had been reliably estimated.
- (c) According to the resource development contract, the Group needed to bear the present obligations of the restoration of the environment, and that an outflow of resources would be required to settle this obligation and the amount had been reliably estimated.
- (d) According to the onerous contract to be performed, the Group needed to bear the present obligations arising from the Group's payment for expected contract loss, and an outflow of economic benefits would be required to settle this obligation and the amount could be reliably estimated.
- (e) In accordance with the requirement of Guo Ban Fa [2016] No. 45, Cai Zi [2016] No. 38, and other related management documents, the Group shall bear the current obligation formed during the separation and hand-over of "Special payables for water/power/gas supply and property". An outflow of resources would be required to settle this obligation and the amount had been reliably estimated.

42. Deferred income

RMB'000

Item	31 December 2024	Increase for the year	Decrease for the year	31 December 2025
Government grants	941,790	142,348	345,708	738,430
Others	77,237	5,796	82,471	562
Total	1,019,027	148,144	428,179	738,992

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

43. Other non-current liabilities

RMB'000

Item	31 December 2025	31 December 2024
Capital contribution by other partners (funds)	764,004	363,538
Total	764,004	363,538

44. Share capital

RMB'000

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

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

45. Other equity instruments

RMB'000

Outstanding financial instruments	31 December 2024		Increase for the year		Decrease for the year		31 December 2025	
	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount	Number (ten thousand)	Carrying amount
Renewable Financing Instruments of Generali China Asset Management in 2019	/	3,000,000	-	-	/	3,000,000	-	-
Renewable Financing Instruments of Zhongyuan Wealth Growth No. 1152 Tranche in 2021	/	500,000	-	-	-	-	/	500,000
2023 MCC MTN010	2,000	2,000,000	-	-	-	-	2,000	2,000,000
2023 MCC MTN011	1,400	1,400,000	-	-	-	-	1,400	1,400,000
2023 MCC MTN012	1,000	1,000,000	-	-	-	-	1,000	1,000,000
2023 MCC MTN013	1,000	1,000,000	-	-	-	-	1,000	1,000,000
2024 MCC MTN003	2,000	2,000,000	-	-	-	-	2,000	2,000,000
2024 MCC MTN004	2,000	2,000,000	-	-	-	-	2,000	2,000,000
2024 MCC MTN005A	1,000	1,000,000	-	-	-	-	1,000	1,000,000
2024 MCC MTN005B	1,000	1,000,000	-	-	-	-	1,000	1,000,000
2024 MCC MTN006	2,000	2,000,000	-	-	-	-	2,000	2,000,000
2024 MCC MTN007	1,200	1,200,000	-	-	-	-	1,200	1,200,000
2024 MCC MTN008	2,000	2,000,000	-	-	-	-	2,000	2,000,000
2024 MCC MTN009	2,000	2,000,000	-	-	-	-	2,000	2,000,000
2024 MCC MTN010	2,000	2,000,000	-	-	-	-	2,000	2,000,000
2024 MCC MTN011	2,000	2,000,000	-	-	-	-	2,000	2,000,000
2024 MCC MTN012	1,200	1,200,000	-	-	-	-	1,200	1,200,000
2025 MCC MTN001	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN002	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN003	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN004	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN005	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN006	-	-	1,200	1,200,000	-	-	1,200	1,200,000
2025 MCC MTN007	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN008	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN009	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN010	-	-	800	800,000	-	-	800	800,000

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For the year ended 31 December 2025

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

45. Other equity instruments (Continued)

RMB'000

Outstanding financial instruments	31 December 2024		Increase for the year		Decrease for the year		31 December 2025	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
	(ten thousand)	(ten thousand)	(ten thousand)	(ten thousand)	(ten thousand)	(ten thousand)	(ten thousand)	(ten thousand)
2025 MCC MTN011	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN012	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN013	-	-	1,300	1,300,000	-	-	1,300	1,300,000
2025 MCC MTN014	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2025 MCC MTN015A	-	-	1,600	1,600,000	-	-	1,600	1,600,000
2025 MCC MTN015B	-	-	900	900,000	-	-	900	900,000
2025 MCC MTN016	-	-	2,000	2,000,000	-	-	2,000	2,000,000
2022 MCC MTN001	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2022 MCC MTN002	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2022 MCC MTN003	1,300	1,300,000	-	-	1,300	1,300,000	-	-
2023 MCC MTN001	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2023 MCC MTN002	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2023 MCC MTN003	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2023 MCC MTN004	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2023 MCC MTN005	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2023 MCC MTN006	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2023 MCC MTN007	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2023 MCC MTN008	2,000	2,000,000	-	-	2,000	2,000,000	-	-
2023 MCC MTN009	2,000	2,000,000	-	-	2,000	2,000,000	-	-
Total	/	50,600,000	/	29,800,000	/	26,300,000	/	54,100,000

RMB'000

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

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For the year ended 31 December 2025

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

45. Other equity instruments (Continued)

RMB'000

Outstanding financial instruments	Issue date	Dividend rate or interest rate	Issue amount	Maturity date or renewal	Terms of conversion	Conversion
2024 MCC MTN007	2024-08-09 to 2024-08-12	2.75%	1,200,000	Undue	None	No
2024 MCC MTN008	2024-08-21 to 2024-08-22	2.40%	2,000,000	Undue	None	No
2024 MCC MTN009	2024-08-22 to 2024-08-23	2.28%	2,000,000	Undue	None	No
2024 MCC MTN010	2024-08-23 to 2024-08-26	2.50%	2,000,000	Undue	None	No
2024 MCC MTN011	2024-08-26 to 2024-08-27	2.38%	2,000,000	Undue	None	No
2024 MCC MTN012	2024-08-27 to 2024-08-28	2.31%	1,200,000	Undue	None	No
2025 MCC MTN001	2025-03-03 to 2025-03-04	2.30%	2,000,000	Undue	None	No
2025 MCC MTN002	2025-03-20 to 2025-03-21	2.31%	2,000,000	Undue	None	No
2025 MCC MTN003	2025-03-12 to 2025-03-13	2.37%	2,000,000	Undue	None	No
2025 MCC MTN004	2025-03-24 to 2025-03-25	2.27%	2,000,000	Undue	None	No
2025 MCC MTN005	2025-03-27	2.25%	2,000,000	Undue	None	No
2025 MCC MTN006	2025-04-23 to 2025-04-24	2.35%	1,200,000	Undue	None	No
2025 MCC MTN007	2025-04-27 to 2025-04-28	2.39%	2,000,000	Undue	None	No
2025 MCC MTN008	2025-05-22 to 2025-05-23	2.07%	2,000,000	Undue	None	No
2025 MCC MTN009	2025-05-26 to 2025-05-27	2.09%	2,000,000	Undue	None	No
2025 MCC MTN010	2025-06-09 to 2025-06-10	2.05%	800,000	Undue	None	No
2025 MCC MTN011	2025-09-17 to 2025-09-18	2.27%	2,000,000	Undue	None	No
2025 MCC MTN012	2025-09-19 to 2025-09-22	2.26%	2,000,000	Undue	None	No
2025 MCC MTN013	2025-10-22 to 2025-10-23	2.26%	1,300,000	Undue	None	No
2025 MCC MTN014	2025-11-25	2.48%	2,000,000	Undue	None	No
2025 MCC MTN015A	2025-11-26	2.25%	1,600,000	Undue	None	No
2025 MCC MTN015B	2025-11-26	2.50%	900,000	Undue	None	No
2025 MCC MTN016	2025-12-01	2.55%	2,000,000	Undue	None	No
Total	/	/	54,100,000	/	/	/

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

45. Other equity instruments (Continued)

As it is at the discretion of the Company to decide whether to redeem the above-mentioned medium-term notes or defer payments on the above-mentioned renewable corporate bonds and renewable financing instruments (hereinafter referred to as “renewable financing instruments”), the above-mentioned renewable financing instruments’ perpetuity remains in effect. Unless otherwise dictated by a compulsory interest payment occurrence that is independently decided and consequently controlled by the Company, the Company can choose, at its own discretion, to defer the current interest payment and previous deferred interests and related yields to the next interest payment date without any limitation on the number of deferred interest payments, and the repayment order of such renewable financing instruments at the settlement is inferior to that of ordinary bonds and other debts issued by the Company. The Company believes that such renewable financing instruments do not meet the definition of financial liabilities and are accounted for as other equity instruments subsequent to deduction of related transaction costs from the total issue amount.

The Company’s subsidiaries, China MCC5 Group Co., Ltd., China MCC17 Group Co., Ltd. and Shanghai Baoye Group Co., Ltd., issued perpetual bonds in 2023, with amounts of RMB4,000,000,000. The net proceeds after deducting related transaction costs were recognised in other equity instruments and presented as non-controlling interests in the Group’s consolidated financial statements. As at 31 December 2025, the above perpetual bonds issued in 2023 were redeemed, leading to a decrease of RMB4,000,000,000 in non-controlling interests in the Group’s consolidated financial statements.

The Company’s subsidiaries, China MCC5 Group Co., Ltd., China MCC17 Group Co., Ltd. and Shanghai Baoye Group Co., Ltd., issued perpetual bonds in 2025, with amounts of RMB1,500,000,000, RMB1,000,000,000 and RMB1,500,000,000 respectively. The amounts received after deducting relative transaction costs are recognised in other equity instruments and presented under the item of minority interests in the Group’s consolidated financial statements. As at 31 December 2025, the balance of the above minority interests is RMB4,000,000,000.

46. Capital reserve

RMB'000

Item	31 December 2024	Increase for the year	Decrease for the year	31 December 2025
Share premium	22,467,142	–	–	22,467,142
Other capital reserve	993,529	124,351	35,858	1,082,022
Total	23,460,671	124,351	35,858	23,549,164

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

47. Other comprehensive income

Accumulated balance of other comprehensive income attributable to shareholders of the Company in the consolidated balance sheet:

RMB'000

Item	31 December 2024	Attributable to shareholders of the Company, net of income tax	Less: Retained earnings transferred from other comprehensive income	31 December 2025
Other comprehensive income that cannot be reclassified to profit or loss				
Changes in remeasurement of defined benefit plan	(200,568)	66,687	(136,358)	2,477
Other comprehensive income/(loss) that cannot be reclassified to profit or loss under the equity method	25	(36)	(11)	-
Changes in fair value of investments in other equity instruments	(17,018)	27,095	68,435	(58,358)
Subtotal	(217,561)	93,746	(67,934)	(55,881)
Other comprehensive income that will be reclassified to profit or loss				
Other comprehensive income/(loss) that can be reclassified to profit or loss under the equity method	21,298	(3,001)	-	18,297
Changes in fair value of receivables financing	(94,115)	30,108	-	(64,007)
Translation differences of financial statements denominated in foreign currencies	1,041,496	(310,361)	-	731,135
Subtotal	968,679	(283,254)	-	685,425
Total	751,118	(189,508)	(67,934)	629,544

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

47. Other comprehensive income (Continued)

Amount incurred in other comprehensive income:

2025

RMB'000

Item	Pre-tax amount incurred in the year	Less: Income tax expenses	Attributable to shareholders of the Company, net of income tax	Attributable to minority shareholders, net of income tax
Other comprehensive income that cannot be reclassified to profit or loss				
Changes in remeasurement of defined benefit plan	78,261	550	66,687	11,024
Other comprehensive loss that cannot be reclassified to loss under the equity method	(36)	–	(36)	–
Changes in fair value of investments in other equity instruments	42,906	10,250	27,095	5,561
Other comprehensive income that will be reclassified to profit or loss				
Other comprehensive loss that can be reclassified to loss under the equity method	(3,688)	–	(3,001)	(687)
Changes in fair value of receivables financing	36,144	2,486	30,108	3,550
Translation differences of financial statements denominated in foreign currencies	(363,940)	274	(310,361)	(53,853)
Total	(210,353)	13,560	(189,508)	(34,405)

48. Special reserve

RMB'000

Item	31 December 2024	Increase for the year	Decrease for the year	31 December 2025
Production safety expenses	1,024,967	10,275,823	9,612,238	1,688,552
Total	1,024,967	10,275,823	9,612,238	1,688,552

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

49. Surplus reserve

RMB'000

Item	31 December 2024	Increase for the year	Decrease for the year	31 December 2025
Statutory surplus reserve	3,782,468	–	–	3,782,468
Total	3,782,468	–	–	3,782,468

In accordance with the Company Law of the People's Republic of China and the Company's Articles of Association, the Company appropriated no statutory surplus reserve at the end of the year, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the share capital upon approval.

50. Retained profits

RMB'000

Item	2025	2024
Retained profits at the end of the prior year	52,700,255	49,859,806
Retained profits at the beginning of the year	52,700,255	49,859,806
Add: Net profit attributable to shareholders of the Company	1,321,768	6,745,954
Retained earnings transferred from other comprehensive income	(67,934)	(4,495)
Less: Appropriation to statutory surplus reserve (a)	–	391,174
Distribution of dividends on ordinary shares (b)	1,160,523	1,492,101
Distribution of interest on perpetual bonds classified as equity instruments (c)	1,275,459	1,861,743
Others	228,717	155,992
Retained profits at the end of the year	51,289,390	52,700,255

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

50. Retained profits (Continued)

- (a) As 31 December 2025, retained profits of the Group included statutory surplus reserve of subsidiaries attributable to shareholders of the Company amounting to RMB18,880,126,000 (as at 31 December 2024: RMB19,138,876,000).

The Company appropriated no statutory surplus reserve in 2025 (2024: RMB391,174,000).

- (b) In accordance with the resolution at the 2024 annual general meeting of shareholders on 30 June 2025, a final cash dividend of RMB0.056 (inclusive of tax) per share was approved after the appropriation to statutory surplus reserve, which amounted to RMB1,160,523,000. This dividend was paid in 2025.

- (c) In 2025, the Company distributed interest on perpetual bonds amounting to RMB1,275,459,000 (2024: RMB1,861,743,000). As at 31 December 2025, retained profits included no interest belonging to the perpetual bond holders (as at 31 December 2024: Nil).

51. Operating income and operating costs

(1) Operating income and operating costs

RMB'000

Item	2025		2024	
	Revenue	Cost	Revenue	Cost
Principal operating activities	454,040,154	408,538,447	550,660,991	497,613,186
Other operating activities	1,340,266	907,358	1,363,647	930,406
Total	455,380,420	409,445,805	552,024,638	498,543,592

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

51. Operating income and operating costs (Continued)

(2) Breakdown of operating income

2025

RMB'000

Reporting segment	Engineering contracting	Featured business	Discontinued operations	Subtotal
Timing of transfer of goods				
At a point in time	25,424,732	10,625,531	12,799,321	48,849,584
Over time	379,375,827	18,754,632	7,554,271	405,684,730
Leases	563,507	17,381	265,218	846,106
Total	405,364,066	29,397,544	20,618,810	455,380,420

(3) Breakdown of operating costs

2024

RMB'000

Reporting segment	Engineering contracting	Featured business	Discontinued operations	Subtotal
Timing of transfer of goods				
At a point in time	21,239,098	8,118,988	10,851,779	40,209,865
Over time	345,186,250	16,467,939	7,137,149	368,791,338
Leases	273,380	2,217	169,005	444,602
Total	366,698,728	24,589,144	18,157,933	409,445,805

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

51. Operating income and operating costs (Continued)

(4) Information about the Group's performance obligations

	Timing of satisfaction of performance obligations	Important payment terms	Nature of the goods promised to be transferred	Whether it is the principal	Assumed amounts expected to be refunded to the customer	Types of warranties provided and related obligations
Project construction	Period of provision of project contracting services	Project fees	Construction services	Yes	No	Project warranty, assurance-type warranty
Survey and design services	Service period	Service progress acceptance payment	Design document	Yes	No	None
Sale of goods	Time of delivery	Payment on delivery, bank mortgage loans	Metallurgical equipment, metallic and non-metallic minerals, and commercial properties	Yes	No	Metallurgical equipment, commercial properties assurance-type warranty

(5) Operating income from the top five largest customers of the Group

The total amount of operating income from the top five largest customers of the Group is RMB39,934,520,000 (2024: RMB16,783,891,000), accounting for 8.77% of the total operating income of the Group (2024: 3.04%). The details are set out below:

RMB'000

Customer name	Operating income	Proportion to total operating income of the Group (%)
Party 1	23,125,351	5.08
Party 2	5,320,833	1.17
Party 3	4,650,195	1.02
Party 4	3,561,457	0.78
Party 5	3,276,684	0.72
Total	39,934,520	8.77

The engineering contracting services provided by the Group generally constitutes a single performance obligation as a whole and is performed over time. As at 31 December 2025, some of the Group's engineering contracting service contracts are still in the process of performance, the transaction price allocated to the outstanding (or partially unperformed) performance obligations is related to the performance progress of each service contract, and will be recognised as revenue in the future performance period of each contract based on the performance progress.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

52. Taxes and levies

RMB'000

Item	2025	2024
Land appreciation tax	923,944	366,318
Urban maintenance and construction tax	332,186	334,626
Housing property Tax	319,246	324,644
Stamp tax	300,266	374,362
Education surcharge	256,358	261,959
Land use tax	137,495	124,616
Others	413,349	369,562
Total	2,682,844	2,156,087

53. Selling expenses

RMB'000

Item	2025	2024
Employee benefits	1,541,793	1,459,864
Advertising and sales service expenses	689,432	705,151
Travel expenses	290,846	308,493
Office expenses	94,940	179,978
Lease expenses	93,348	87,320
Consulting fee	33,670	50,243
Depreciation of fixed assets	12,011	10,046
Others	268,129	262,220
Total	3,024,169	3,063,315

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

54. Administrative expenses

<i>RMB'000</i>		
Item	2025	2024
Employee benefits	8,237,109	8,039,315
Office expenses	775,129	832,220
Depreciation of fixed assets	536,644	506,541
Professional service fees	379,307	322,814
Travel expenses	377,074	446,319
Lease expenses	242,215	273,624
Amortisation of intangible assets	196,659	212,078
Depreciation of right-of-use assets	147,319	124,043
Maintenance fee	76,590	112,221
Others	514,581	961,420
Total	11,482,627	11,830,595

In 2025, the aforementioned administrative expenses included audit fees of RMB27,180,000 (2024: RMB17,500,000), of which the internal control audit fee amounted to RMB2,300,000 (2024: RMB1,500,000).

55. Research and development expenses

<i>RMB'000</i>		
Item	2025	2024
Research and development material expenditure	8,468,503	10,392,306
Employee benefits	4,745,893	5,241,729
Depreciation of fixed assets	118,938	121,600
Amortisation of intangible assets	27,795	28,074
Others	602,831	622,516
Total	13,963,960	16,406,225

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

56. Financial expenses

RMB'000

Item	2025	2024
Interest expenses	4,501,090	4,443,552
Less: Capitalised interest expenses	878,291	1,081,373
Less: Interest income	3,452,238	2,715,515
Exchange losses/(gains)	284,752	(145,811)
Bank charges	445,245	580,942
Interest expenses on lease liabilities	31,344	30,502
Others	57,316	(33,592)
Total	989,218	1,078,705

57. Other income

RMB'000

Item	2025	2024
Tax refunds	152,232	136,452
Research subsidies	127,856	118,792
Others	253,361	294,984
Total	533,449	550,228

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

58. Investment income/(loss)

	<i>RMB'000</i>	
Item	2025	2024
Investment income on disposal of long-term equity investments	19,197,438	13,380
Investment income from holding investments in other non-current financial assets	30,859	7,897
Investment income from holding investments in other equity instruments	24,555	21,270
Investment loss from disposal of financial liabilities held for trading	(38,993)	(113,311)
(Loss)/Income from long-term equity investments under equity method	(58,837)	137,334
Investment loss from disposal of receivables financing	(259,056)	(370,798)
Losses from derecognition of financial assets at amortised cost	(1,060,662)	(1,089,125)
Investment income from disposal of other non-current financial assets	–	11,959
Others	353,869	26,869
Total	18,189,173	(1,354,525)

59. Losses on changes in fair value

	<i>RMB'000</i>	
Sources resulting in fair value change losses:	2025	2024
Gains/(Losses) on changes in fair value of derivative financial liabilities	20,592	(369,193)
Gains on changes in fair value of financial assets held for trading	123	171
(Losses)/Gains on changes in fair value of other non-current financial assets	(51,437)	4,491
Losses on changes in fair value of derivative financial assets	–	(12,676)
Total	(30,722)	(377,207)

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

60. Impairment losses of credit

	<i>RMB'000</i>	
Item	2025	2024
(Losses on)/Reversal of credit impairment of notes receivable <i>(Note VII, 2(4))</i>	(4,403)	2,036
Losses on credit impairment of accounts receivable <i>(Note VII, 3(3))</i>	(4,753,134)	(6,063,586)
Losses on credit impairment of other receivables <i>(Note VII, 6(3) (d))</i>	(2,754,800)	(1,222,023)
(Losses on)/Reversal of credit impairment of long-term receivables <i>(Note VII, 11(2))</i>	(702,096)	90,048
Total	(8,214,433)	(7,193,525)

61. Impairment losses of assets

	<i>RMB'000</i>	
Item	2025	2024
Losses on decline in value of inventories <i>(Note VII, 7(2))</i>	(14,957,138)	(1,725,060)
Losses on impairment of contract assets <i>(Note VII, 8(3))</i>	(787,224)	(732,538)
Losses on impairment of goodwill <i>(Note VII, 20(2))</i>	(6,562)	(2,635)
Losses on impairment of investment properties <i>(Note VII, 15)</i>	(995,975)	–
Losses on impairment of fixed assets <i>(Note VII, 16)</i>	(2,303,627)	–
Losses on impairment of construction in progress <i>(Note VII, 17(2) (b))</i>	(52,512)	–
Losses on impairment of intangible assets <i>(Note VII, 19)</i>	(2,651)	–
Losses on impairment of other non-currents assets <i>(Note VII, 23)</i>	(89,919)	(98,414)
Losses on impairment of long-term equity investments <i>(Note VII, 12)</i>	–	(1,626)
(Losses on)/Reversal of impairment of other current assets	(243,490)	19,419
Total	(19,439,098)	(2,540,854)

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

62. Gains on disposal of assets

RMB'000

Item	2025	2024
Gains on disposal of fixed assets	122,842	841,614
Gains on disposal of intangible assets	239,946	202,974
Gains on disposal of other long-term assets	1,837	8,078
Total	364,625	1,052,666

63. Non-operating income

RMB'000

Item	2025	2024	Recognised in non-recurring profit or loss for the period
Income from penalty	15,642	25,882	15,642
Government grants	40,579	40,256	40,579
Unpayable balances	178,768	241,995	178,768
Others	165,907	145,451	165,907
Total	400,896	453,584	400,896

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

64. Non-operating expenses

RMB'000

Item	2025	2024	Recognised in non-recurring profit or loss for the period
Litigation estimated liabilities	74,713	32,013	74,713
Compensation and default payments	372,941	192,885	372,941
Loss on damage and retirement of non-current assets	23,675	17,870	23,675
Fines and surcharges for overdue payments	47,419	18,083	47,419
Donation expenditure	14,360	16,066	14,360
Others	53,285	5,031	53,285
Total	586,393	281,948	586,393

65. Income tax expenses

(1) Classification of income tax expenses

RMB'000

Item	2025	2024
Current tax expenses	2,891,443	3,391,841
Deferred tax expenses	(404,177)	(2,041,635)
Total	2,487,266	1,350,206

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For the year ended 31 December 2025

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

65. Income tax expenses (Continued)

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

Item	RMB'000	
	2025	2024
Total profit	5,009,294	9,254,538
Income tax expenses calculated at 25%	1,252,324	2,313,635
Effect of difference between applicable tax rate and statutory tax rate	(897,214)	(1,591,793)
Effect of non-taxable income	(103,836)	(72,171)
Effect of non-deductible costs, expenses and losses	310,444	190,549
Effect of utilising deductible temporary differences or deductible loss not recognised for deferred tax assets for prior period	(188,347)	(570,231)
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognised for the year	2,945,744	2,079,956
Weighted deduction for R&D expenses and others	(831,849)	(999,739)
Income tax expenses	2,487,266	1,350,206

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

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

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For the year ended 31 December 2025

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

66. Earnings per share

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

RMB'000

Item	2025	2024(As Restated)
Net profit for the period attributable to shareholders of the Company	1,321,768	6,745,954
Including: Net profit from continuing operations attributable to shareholders of the Company	6,676,345	9,585,806
Net loss from discontinued operations attributable to shareholders of the Company	(5,354,577)	(2,839,852)
Less: Net profit attributable to perpetual bond holders	1,275,459	1,861,743
Net profit for the period attributable to ordinary shareholders	46,309	4,884,211

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

RMB'000

Item	2025 '000 shares	2024 '000 shares
Number of ordinary shares outstanding at the beginning of the year	20,723,619	20,723,619
Add: Weighted average number of ordinary shares issued during the year	–	–
Less: Weighted average number of ordinary shares repurchased during the year	–	–
Number of ordinary shares outstanding at the end of the year	20,723,619	20,723,619

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For the year ended 31 December 2025

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

66. Earnings per share (Continued)

(3) Earnings per share

RMB

Item	2025	2024 (As Restated)
Calculated based on net profit attributable to ordinary shareholders:		
Basic earnings per share	RMB0.002/share	RMB0.236/share
Diluted earnings per share	RMB0.002/share	RMB0.236/share
Calculated based on net profit from continuing operations attributable to ordinary shareholders:		
Basic earnings per share	RMB0.261/share	RMB0.373/share
Diluted earnings per share	RMB0.261/share	RMB0.373/share
Calculated based on net loss from discontinued operations attributable to ordinary shareholders:		
Basic earnings per share	RMB (0.259)/share	RMB (0.137)/share
Diluted earnings per share	RMB (0.259)/share	RMB (0.137)/share

67. Items in the cash flow statement

(1) Cash relating to operating activities

Other cash receipts relating to operating activities

RMB'000

Item	2025	2024
Receipts of deposits, guarantees and current accounts	7,128,381	8,957,354
Interest income	3,452,238	2,315,977
Government grants	402,736	439,936
Changes in restricted monetary funds	–	1,733,682
Others	50,854	229,388
Total	11,034,209	13,676,337

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For the year ended 31 December 2025

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

67. Items in the cash flow statement (Continued)

(1) Cash relating to operating activities (Continued)

Other cash payments relating to operating activities

RMB'000

Item	2025	2024
Research and development expenditure	9,068,770	11,027,453
Changes in restricted monetary funds	1,089,625	–
Travel expenses	667,920	754,811
Professional service fee	412,977	386,899
Short-term leases expenses	335,563	358,689
Office expenses	870,069	418,651
Advertising and sales service expenses	689,432	529,635
Repair and maintenance expenses	313,747	113,284
Advances to customers and others	8,011,314	7,148,667
Total	21,459,417	20,738,089

(2) Cash relating to investing activities

Other cash receipts relating to investing activities

RMB'000

Item	2025	2024
Net cash receipts from acquisitions of subsidiaries and other business units	2,498,906	1,124,980
Recovery of loans to related parties	1,759,661	442,470
Interest income from loans	243,451	511,394
Others	–	44,432
Total	4,502,018	2,123,276

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For the year ended 31 December 2025

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

67. Items in the cash flow statement (Continued)

(2) Cash relating to investing activities (Continued)

Other cash payments relating to investing activities

RMB'000

Item	2025	2024
Expenses from delivery of derivative financial instruments	83,664	161,382
Borrowings and current accounts	-	2,707,730
Total	83,664	2,869,112

(3) Cash relating to financing activities

Other cash receipts relating to financing activities

RMB'000

Item	2025	2024
Loans and others	13,161,674	3,552,009
Total	13,161,674	3,552,009

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For the year ended 31 December 2025

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

67. Items in the cash flow statement (Continued)

(3) Cash relating to financing activities (Continued)

Other cash payments relating to financing activities

RMB'000

Item	2025	2024
Redemption of perpetual medium-term notes and perpetual bonds	27,300,000	18,752,550
Repayment of loans and interest	12,435,365	2,551,490
Changes in restricted monetary funds	–	511,767
Payments of lease liabilities	267,186	291,741
Total	40,002,551	22,107,548

During the year 2025, the Group's total cash outflows relating to leases amounted to RMB1,309,627,000 (2024: RMB1,392,044,000). Except for the amounts paid for the repayment of lease liabilities classified as financing activities, all other cash outflows were included in operating activities.

Movements in liabilities arising from financing activities

RMB'000

Item	Opening balance	Increase for the year		Decrease for the year		Closing balance
		Cash movement	Non-cash movement	Cash movement	Non-cash movement	
Short-term borrowings	33,853,836	180,126,112	3,140,615	192,247,321	2,746,029	22,127,213
Long-term borrowings (including those due within one year)	53,272,119	21,578,705	15,952,908	23,520,009	12,045,839	55,237,884
Bonds payable (including those due within one year)	5,455,291	1,555,000	166,243	1,782,701	3,345,000	2,048,833
Lease liabilities (including those due within one year)	576,601	–	371,494	267,186	78,818	602,091
Dividends payable	1,238,350	–	3,437,806	3,684,105	–	992,051
Interest payable	24,025	–	1,742,532	1,732,367	–	34,190
Borrowing funds	2,461,705	12,761,208	279,712	12,435,365	–	3,067,260
Total	96,881,927	216,021,025	25,091,310	235,669,054	18,215,686	84,109,522

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For the year ended 31 December 2025

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

67. Items in the cash flow statement (Continued)

(4) Cash flows presented on a net basis

Item	Relevant facts and circumstances	Basis for presentation on a net basis
Deposits and guarantees	Deposits and guarantees paid to or recovered from customers for project contracting services, and deposits and guarantees received from or returned to suppliers are presented on a net basis	The Group operates many engineering contracting projects; Deposits and guarantees are of quick turnover and short terms

(5) Significant activities not involving current cash receipts and payments

Activities and their financial effects that do not involve cash receipts or payments during the year, but affect the financial position of the enterprise or may affect its cash flows in the future:

Item	RMB'000	
	2025	2024
Increase in right-of-use assets	(263,676)	(171,265)

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

68. Supplementary information to the cash flow statement

(1) *Supplementary information to the cash flow statement*

RMB'000

Item	2025	2024
Reconciliation of net profit to cash flows from operating activities		
Net profit	2,522,028	7,904,332
Add: Impairment losses of assets and credit	27,653,531	9,734,379
Depreciation of fixed assets and right-of-use assets, and depreciation and amortisation of investment properties	3,024,173	3,037,241
Amortisation of intangible assets	1,542,646	1,351,379
Amortisation of long-term prepaid expenses	98,031	100,512
Gains on disposal of fixed assets, intangible assets and other long-term assets	(364,625)	(1,052,666)
Net losses/(gains) on retirement of fixed assets	13,624	(18,736)
Losses on changes in fair value	30,722	377,207
Financial expenses	3,695,444	2,477,604
Investment income	(19,508,892)	(105,398)
Increase in deferred tax assets	(403,291)	(1,958,681)
Decrease in deferred tax liabilities	(886)	(82,954)
Decrease in inventories	5,228,459	6,139,383
Increase in contract assets	(33,927,414)	(33,922,655)
Decrease in contract liabilities	(5,053,613)	(5,467,422)
Increase in operating receivables	(40,162,126)	(88,541,684)
Increase in operating payables	70,934,942	107,875,863
Net cash flow from operating activities	15,322,753	7,847,704
Net changes in cash and cash equivalents		
Closing balance of cash and cash equivalents	69,486,260	43,190,604
Less: Opening balance of cash and cash equivalents	43,190,604	33,850,108
Net increase in cash and cash equivalents	26,295,656	9,340,496

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

68. Supplementary information to the cash flow statement (Continued)

(2) Composition of cash and cash equivalents

RMB'000

Item	31 December 2025	31 December 2024
Cash	69,486,260	43,190,604
Including: Cash on hand	2,971	5,045
Bank deposits that are readily available for payment	69,483,289	43,185,559
Closing balance of cash and cash equivalents	69,486,260	43,190,604

(3) Circumstances where use is restricted but still presented as cash and cash equivalents

RMB'000

	31 December 2025	31 December 2024	Reason
Special account funds for project agreement	21,735,924	18,303,699	Project-specific, with no substantive restrictions on withdrawal for use on this project
Special account funds for wage payment of migrant workers	10,536,366	8,792,589	Dedicated to the payment of migrant workers' wages, which can be paid at any time without substantial restrictions
Others	4,222,195	3,243,282	Special funds for exclusive use, without substantial restrictions during use
Total	36,494,485	30,339,570	

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

68. Supplementary information to the cash flow statement (Continued)

(4) *Cash and bank balances not classified as cash and cash equivalents*

RMB'000

	31 December 2025	31 December 2024	Reason
Frozen funds	5,980,404	4,967,221	Frozen, unable to withdraw at any time
Guarantees	1,421,742	2,173,442	Illiquid, unable to withdraw at any time
Other funds with restricted ownership or usage rights	876,477	2,227,584	Unable to withdraw at any time
Total	8,278,623	9,368,247	

FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

69. Items denominated in foreign currencies

RMB'000

Item	Foreign currency at 31 December 2025	Exchange rate	RMB at 31 December 2025
Cash and bank balances			4,246,384
Including: USD	252,050	7.0288	1,771,609
HKD	1,158	0.9032	1,046
EUR	4,079	8.2355	33,590
AUD	46,261	4.6892	216,929
SGD	4,843	5.4586	26,435
IDR	372,251,196	0.0004	155,601
KWD	4,282	22.8246	97,737
LKR	48,803,304	0.0227	1,107,835
SAR	163,372	1.8680	305,178
Other currencies	/	/	530,424
Accounts receivable			1,782,599
Including: USD	55,471	7.0288	389,896
EUR	425	8.2355	3,501
SGD	65,505	5.4586	357,567
IDR	855,425,837	0.0004	357,568
MYR	70,510	1.7319	122,117
KWD	7,941	22.8246	181,241
Other currencies	/	/	370,709
Other receivables			434,934
Including: USD	2,751	7.0288	19,339
HKD	267	0.9032	241
SGD	11,640	5.4586	63,537
IDR	1,071,770	0.0004	448
MYR	1,855	1.7319	3,212
KWD	8,780	22.8246	200,406
Other currencies	/	/	147,751

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For the year ended 31 December 2025

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

69. Items denominated in foreign currencies (Continued)

RMB'000

Item	Foreign currency at 31 December 2025	Exchange rate	RMB at 31 December 2025
Short-term borrowings			491,274
Including: SGD	90,000	5.4586	491,274
Accounts payable			1,741,011
Including: USD	12,191	7.0288	85,688
EUR	831	8.2355	6,843
AUD	566	4.6892	2,652
SGD	140,513	5.4586	767,003
IDR	1,124,882,775	0.0004	470,201
KWD	1,851	22.8246	42,244
Other currencies	/	/	366,380
Other payables			178,726
Including: USD	982	7.0288	6,903
HKD	1,188	0.9032	1,073
SGD	1,111	5.4586	6,062
IDR	36,497,608	0.0004	15,256
KWD	584	22.8246	13,340
Other currencies	/	/	136,092

Note: The Group's business is primarily operated in Chinese mainland. The Group's overseas markets span multiple countries and regions, and its overseas operating entities determine their functional currencies based on the currencies of the primary economic environments in which they operate. The Group has no individually significant overseas operating entity. The aforementioned items denominated in foreign currency are determined separately by the Company, its subsidiaries, and overseas operating entities based on their respective functional currencies.

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For the year ended 31 December 2025

VIII. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combinations not involving enterprises under common control

(1) *Business combinations not involving enterprises under common control occurred in the year*

In 2025, the Group acquired control of the following entities by paying cash consideration of RMB224,332,000 and non cash consideration of RMB952,709,000. These entities were included in the scope of consolidation since the acquisition date.

RMB'000

Name of acquiree	Equity acquisition proportion (%)	Equity acquisition method	Acquisition date	Determination basis of acquisition date
Beijing Fuze Real Estate Development Co., Ltd.	95.00	Acquisition	1 May 2025	Actual acquisition of control over the acquiree
Chongqing Changshou Zhixin Infrastructure Construction Co., Ltd.	90.00	Acquisition	1 July 2025	Actual acquisition of control over the acquiree
Zhumadian Zhongyi Municipal Construction Management Co., Ltd.	95.00	Acquisition	31 October 2025	Actual acquisition of control over the acquiree
Yongkang Guya Development and Construction Co., Ltd.	85.00	Acquisition	31 December 2025	Actual acquisition of control over the acquiree
Huangshi Urban Green Environment Development Co., Ltd.	65.00	Acquisition	31 December 2025	Actual acquisition of control over the acquiree

FINANCIAL STATEMENTS

For the year ended 31 December 2025

VIII. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations not involving enterprises under common control (Continued)

(2) The acquiree's identifiable assets and liabilities at the acquisition date

Fair value and carrying amount of the acquiree's identifiable assets and liabilities at the acquisition date are as follows:

	<i>RMB'000</i>	
Item	Fair value at the acquisition date	Carrying amount at the acquisition date
Cash and bank balances	2,723,238	2,723,238
Prepayments	277	277
Other receivables	1,001,898	1,001,898
Inventories	49	49
Contract assets	2,961,949	2,961,949
Other current assets	58,334	58,334
Long-term receivables	63,232	63,232
Fixed assets	2	2
Construction in progress	2,364,961	2,364,961
Deferred tax assets	1,096,832	1,096,832
Other non-current assets	197,639	197,639
Total assets	10,468,411	10,468,411
Short-term borrowings	150,000	150,000
Accounts payable	815,485	815,485
Taxes payable	1,789	1,789
Other payables	1,301,011	1,301,011
Non-current liabilities due within one year	579,466	579,466
Other current liabilities	25,956	25,956
Long-term borrowings	6,029,995	6,029,995
Long-term payables	106,335	106,335
Total liabilities	9,010,037	9,010,037
Net assets	1,458,374	1,458,374
Less: Minority interests	281,333	281,333
Net assets acquired	1,177,041	1,177,041

FINANCIAL STATEMENTS

For the year ended 31 December 2025

VIII. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations not involving enterprises under common control (Continued)

(2) The acquiree's identifiable assets and liabilities at the acquisition date (Continued)

Operating results and cash flows of the acquiree in the period from the acquisition date to the end of the year are set out as follows:

RMB'000

Item	For the period from the acquisition date to 31 December 2025
Operating income	1,032,147
Net profit	4,513
Net cash flow	(522,252)

Net cash receipts from acquisition of the subsidiary:

RMB'000

Item	Amount
Cash and cash equivalents acquired from acquisition of the subsidiary	2,723,238
Less: Cash and cash equivalents paid for acquisition of the subsidiary	224,332
Net cash receipts from acquisition of the subsidiary	2,498,906

FINANCIAL STATEMENTS

For the year ended 31 December 2025

VIII. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of subsidiaries

(1) Loss of control over subsidiaries through single disposal

RMB'000

Name of subsidiary	Equity disposal funds (b)	Equity disposal proportion (%)	Equity disposal method	Point in time of control losing	Determination basis of point in time of control losing	Difference between the disposal price and share of the company's net assets on the level of consolidated financial statements corresponding to the disposed investment	Remaining proportion of equity at the date when control is lost (%)	Carrying amount of remaining equity at the date when control is lost	Fair value of remaining equity at the date when control is lost	Gains or losses arising from remeasurement of remaining equity at fair value	Determination basis and major assumptions of fair value of remaining equity at the date when control is lost	Transfer of other comprehensive income related to original investment in the subsidiary to profit or loss
Xinyu MCC Environmental Protection Resources Development Co., Ltd.	151,000	51.00	Transfer by agreement	31 March 2025	The date when control is actually lost	2,211	-	-	-	-	NA	-
Fangchenggang Xinsheng Steel Structure Co., Ltd.	33,350	100.00	Transfer by agreement	6 November 2025	The date when control is actually lost	14,959	-	-	-	-	NA	-
MCC Tongsin Resources Ltd. (a)	12,335,781	100.00	Transfer by agreement	31 December 2025	The date when control is actually lost	7,497,106	-	-	-	-	NA	136,578
MCC Real Estate (a)	29,961,160	100.00	Transfer by agreement	31 December 2025	The date when control is actually lost	2,441,417	-	-	-	-	NA	(6,524)
China Nonferrous Engineering Co., Ltd. (a)	10,545,060	100.00	Transfer by agreement	31 December 2025	The date when control is actually lost	6,229,600	-	-	-	-	NA	(5,270)
MCC-JJ Mining Development Company Limited (a)	5,216,444	67.02	Transfer by agreement	31 December 2025	The date when control is actually lost	2,760,971	-	-	-	-	NA	115,479
Ramu NiCo Management (MCC) Ltd. (a)	10,914	100.00	Transfer by agreement	31 December 2025	The date when control is actually lost	10,911	-	-	-	-	NA	-

FINANCIAL STATEMENTS

For the year ended 31 December 2025

VIII. CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of subsidiaries (Continued)

(1) Loss of control over subsidiaries through single disposal (Continued)

- a Approved by the 80th Meeting of the Third Board of Directors held on 8 December 2025 and the First Extraordinary General Meeting of Shareholders held on 29 December 2025, the Company and its subsidiary China Huaye Group Co., Ltd. ("China Huaye") entered into equity transfer agreements with CMC and Minmetals Land Limited ("Minmetals Land") to transfer the Company's 100% equity interest and related creditor's right in MCC Real Estate, 100% equity interest in China Nonferrous Engineering Co., Ltd. ("China Nonferrous Engineering"), MCC Tongsin Resources Ltd. ("MCC Tongsin"), and Ramu NiCo Management (MCC) Ltd. ("Ramu Management"), 67.02% equity interest in MCC-JJJ Mining Development Company Limited ("MCC-JJJ"), and 100% equity interest in Huaye Duda Mining Co., Ltd. ("Huaye Duda") held by China Huaye. The proceeds from disposal of equity interest in MCC Real Estate included the proceeds from transfer of creditor's right. As of 31 December 2025, the Group has not yet lost control over Huaye Duda and continues to include it in the consolidated financial statements.
- b The disposal consideration relating to the above transaction is finalized based on the transfer consideration stipulated in the equity transfer agreement executed by both parties, adjusted for the transition period profit or loss attributable to the Group. In particular, the disposal consideration in respect of MCC Real Estate represents the aggregate transfer consideration for 100% equity interest in MCC Real Estate and the related claims.
- c The Group's gains of RMB19,197,438,000 arising from loss of control over the above subsidiaries were presented under the item of investment income/(loss) on the consolidated financial statements (Note VII, 58).

Net cash received from disposal of subsidiaries:

RMB'000

Item	Amount
Cash or cash equivalents received from disposal of subsidiaries in the year	33,040,411
Including: Advance receipts from equity disposal in the current year	828,360
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	4,525,585
Net cash received from disposal of subsidiaries:	28,514,826

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IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Details of secondary subsidiaries of the Group:

RMB'000

Name of subsidiary	Principal place of operation	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Central Research Institute of Building and Construction Co., Ltd.	China	Beijing	EPC	2,905,110	100.00	-	Invested by shareholders
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	China	Beijing	EPC	761,816	100.00	-	Invested by shareholders
MCC Capital Engineering & Research Incorporation Limited	China	Beijing	EPC	3,283,104	88.89	-	Invested by shareholders
CISDI Group Co., Ltd.	China	Chongqing	EPC	2,300,000	100.00	-	Invested by shareholders
WISDRI Engineering & Research Incorporation Limited	China	Wuhan	EPC	3,350,000	83.08	-	Invested by shareholders
Huatian Engineering & Technology Corporation, MCC	China	Ma'anshan	EPC	823,259	85.10	-	Invested by shareholders
ACRE Coking & Refractory Engineering Consulting Corporation, MCC	China	Anshan	EPC	1,296,600	87.81	-	Invested by shareholders
Zhong Ye Chang Tian International Engineering Co., Ltd.	China	Changsha	EPC	677,301	92.61	-	Invested by shareholders
Northern Engineering & Technology Corporation, MCC	China	Anshan	EPC	528,511	91.26	-	Invested by shareholders
Shen Kan Engineering & Technology Corporation, MCC	China	Shenyang	Investigation, design	346,264	100.00	-	Invested by shareholders
Wuhan Surveying Geotechnical Research Institute Co., Ltd. of MCC	China	Wuhan	Investigation, design	1,000,000	100.00	-	Invested by shareholders
China First Metallurgical Group Co., Ltd.	China	Wuhan	Engineering contracting	2,417,727	82.06	-	Invested by shareholders
China Second Metallurgical Group Co., Ltd.	China	Baotou	Engineering contracting	2,304,961	83.66	-	Invested by shareholders
China MCC3 Group Co., Ltd.	China	Anshan	Engineering contracting	1,500,000	100.00	-	Invested by shareholders
China MCC5 Group Corp. Ltd.	China	Chengdu	Engineering contracting	5,384,134	92.67	-	Invested by shareholders
MCC TianGong Group Corporation Limited	China	Tianjin	Engineering contracting	2,050,000	98.53	-	Invested by shareholders
China MCC17 Group Co., Ltd.	China	Ma'anshan	Engineering contracting	2,050,000	72.39	-	Invested by shareholders
China Metallurgical Construction Engineering Group Co., Ltd.	China	Chongqing	Engineering contracting	2,449,054	85.75	-	Invested by shareholders
China MCC19 Group Co., Ltd.	China	Panzhuhua	Engineering contracting	3,910,999	78.55	-	Invested by shareholders
China MCC20 Group Co., Ltd.	China	Shanghai	Engineering contracting	2,050,000	71.91	-	Invested by shareholders
China MCC22 Group Co., Ltd.	China	Tangshan	Engineering contracting	3,393,281	81.93	-	Invested by shareholders
Shanghai Baoye Group Corp. Ltd.	China	Shanghai	Engineering contracting	5,777,850	89.58	0.73	Invested by shareholders
China Huaye	China	Beijing	Engineering contracting	1,821,652	78.77	-	Invested by shareholders
MCC Baosteel Technology Services Co., Ltd.	China	Shanghai	Repair work	1,200,000	59.65	20.07	Invested by shareholders

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Details of secondary subsidiaries of the Group: (Continued)

RMB'000

Name of subsidiary	Principal place of operation	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
MCC Communication Construction Group China Co., Ltd.	China	Beijing	Infrastructure contractor	9,312,258	100.00	-	Invested by shareholders
MCC Road&Bridge Construction Co., Ltd.	China	Inner Mongolia	Engineering contracting	2,000,000	100.00	-	Investment establishment
MCC Zhongyuan Construction Investment China Co., Ltd.	China	Zhengzhou	Engineering contracting	500,000	100.00	-	Investment establishment
MCC Integrated Pipe Network Technology & Development Co., Ltd.	China	Baoding	Project contracting, integrated pipe network technology development	200,000	100.00	-	Investment establishment
MCC South China Construction Investment China Co., Ltd.	China	Shenzhen	Engineering contracting	500,000	51.00	-	Investment establishment
MCC (Hainan) Investment Development Co., Ltd.	China	Hainan	Engineering consulting, investment management	100,000	60.00	39.30	Investment establishment
MCC Urban Investment Holding Co., Ltd.	China	Guangdong	Engineering consulting, investment management	1,000,000	60.00	-	Investment establishment
MCC (Shanghai) Steel Structure Technology China Co., Ltd.	China	Shanghai	Engineering contracting	1,000,000	42.56	50.77	Invested by shareholders
MCC Ecological Environmental Protection China Group Co., Ltd.	China	Beijing	Water resource management	3,000,000	29.42	64.36	Investment establishment
MCC Great Wall Investment Co., Ltd.	China	Beijing	Investment management	15,000,000	100.00	-	Investment establishment
MCC Australia Holding Pty Ltd.	Australia	Australia	Resource development	49,016	100.00	-	Invested by shareholders
MCC International Incorporation Ltd.	China	Beijing	Engineering contracting	100,000	100.00	-	Invested by shareholders
MCC Overseas Ltd.	China	Beijing	Engineering contracting	429,126	100.00	-	Invested by shareholders
MCC Vietnam Engineering Technology Co., Ltd.	Vietnam	Vietnam	Engineering contracting	-	100.00	-	Investment establishment
China MCC International Economic and Trade Co., Ltd.	China	Shanghai	Trading	120,000	54.58	40.64	Invested by shareholders
MCC Holding (Hong Kong) Corporation Limited	China	Hong Kong, China	Others	6,485	100.00	-	Investment establishment
MCC-SFRE Heavy Industry Equipment Co., Ltd.	China	Xi'an	Manufacture of metallurgy equipment	1,286,000	71.47	-	Invested by shareholders
Western Australia	Australia	Australia	Resource development	124,382	100.00	-	Invested by shareholders
China 13th Metallurgical Construction Corporation	China	Taiyuan	Engineering contracting	111,663	100.00	-	Invested by shareholders

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Details of secondary subsidiaries of the Group: (Continued)

(a) The grounds for controlling the investees of which the Group is holding half or less than half of the equity interest, and the grounds for not controlling the investees of which the Group is holding more than half of the equity interest

(i) The grounds for controlling the investees of which the Group is holding half or less than half of the equity interest

The Group has several investees in which it holds half or less than half of equity interest, and these investees are incorporated in the scope of consolidation of the Group, mainly in accordance with shareholder agreements, the rules of procedures for the articles of association of investees or agreements of shareholding entrustment and other arrangements, the Group has the control over these investees.

(ii) The grounds for not controlling the investees of which the Group is holding more than half of the equity interest

The Group has several investees in which it holds more than half of equity interest. As there is a consistent action arrangement between the Group and another shareholder, and that shareholder has one vote with the veto rights or can determine independently the investees' related activities, the Group has no control over the investees, but it has the joint control or can exercise significant influence over the investees, therefore the investees are accounted for and managed as joint ventures or associates.

(2) Subsidiaries with material minority interests

31 December 2025:

RMB'000

Name of subsidiary	Proportion of equity interest held by minority interests (%)	Comprehensive income attributable to minority shareholders for the year	Declaration of cash dividends to minority interests for the year	Minority interests at the end of the year
China MCC17 Group Co., Ltd.	27.61	191,867	1,496	4,022,036
Shanghai Baoye Group Corp. Ltd.	9.69	112,409	63,449	3,145,760
China MCC5 Group Corp. Ltd.	7.33	85,501	78,484	3,045,123
WISDRI Engineering & Research Incorporation Limited	16.92	169,201	43,340	2,765,426
China First Metallurgical Group Co., Ltd.	17.94	73,247	81,157	1,728,795

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Subsidiaries with material minority interests (Continued)

As at 31 December 2025, the balance of perpetual bonds issued by the Company's subsidiaries totalled RMB4,000,000,000. The perpetual bonds are classified as equity instruments and presented as minority interests in the Group's consolidated financial statements. The above minority interests at the end of the year include the portion of the issued and outstanding perpetual bonds.

The following tables provide significant financial information of above subsidiaries. All amounts are before elimination among entities within the Group:

RMB'000

Name of subsidiary	31 December 2025						31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China MCC17 Group Co., Ltd.	64,204,279	12,823,717	77,027,996	62,531,639	3,398,301	65,929,940	45,604,549	9,848,718	55,453,267	42,776,159	2,454,405	45,230,564
Shanghai Baoye Group Corp. Ltd.	67,105,871	20,934,544	88,040,415	69,165,322	3,746,571	72,911,893	59,475,179	18,440,932	77,916,111	59,764,665	2,813,347	62,578,012
China MCC5 Group Corp. Ltd.	75,588,180	17,955,283	93,543,463	74,297,235	519,620	74,816,855	67,085,968	18,482,313	85,568,281	66,688,310	1,348,109	68,036,419
WISDRI Engineering & Research Incorporation Limited	23,902,402	4,395,731	28,298,133	17,412,458	290,773	17,703,231	23,017,206	3,863,725	26,880,931	16,452,205	252,089	16,704,294
China First Metallurgical Group Co., Ltd.	48,669,472	15,073,417	63,742,889	51,505,515	2,556,766	54,062,281	42,516,294	8,754,661	51,270,955	40,634,411	1,689,507	42,323,918

RMB'000

Name of subsidiary	2025				2024			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
China MCC17 Group Co., Ltd.	28,510,616	691,259	692,573	674,082	35,654,388	925,379	923,489	21,099
Shanghai Baoye Group Corp. Ltd.	50,711,939	761,603	747,573	154,083	71,377,917	1,279,850	1,333,621	766,690
China MCC5 Group Corp. Ltd.	64,303,828	1,774,803	1,808,571	3,157,125	80,039,384	2,400,985	2,419,863	1,308,230
WISDRI Engineering & Research Incorporation Limited	23,919,489	616,531	610,769	957,962	23,871,661	602,206	603,668	967,595
China First Metallurgical Group Co., Ltd.	32,412,612	943,619	936,119	997,181	45,087,262	1,163,810	1,153,704	642,175

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates

(1) Details of the Group's material joint ventures and associates

RMB'000

Name of associate and joint venture	Principal place of operation	Place of registration	Nature of business	Shareholding ratio (%)		Accounting method
				Direct	Indirect	
Guizhou Ziwang Highway Construction Co., Ltd.	China	Anshun	Highway investment and development	59.96	-	Equity method
Guizhou Sanli Highway Construction Co., Ltd.	China	Qiannan Buyei and Miao Autonomous Prefecture	Highway investment and development	59.90	-	Equity method
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	China	Mangshi	Highway investment and development	40.00	-	Equity method
Lanzhou Lianhuo Highway Qingzhong Section Construction and development Co., Ltd.	China	Lanzhou	Highway investment and development	17.00	-	Equity method
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	China	Changsha	Highway investment and development	16.50	-	Equity method
Chongqing Yunkai Expressway Co., Ltd.	China	Chongqing	Highway investment and development	30.00	-	Equity method
Guizhou Sanshi Highway Construction Co., Ltd.	China	Qiandongnan Miao and Dong Autonomous Prefecture	Highway investment and development	59.80	-	Equity method
Beijing City Vice-Center Investment Fund Partnership (Limited Partnership)	China	Beijing	Investment management	13.88	-	Equity method
Shijiazhuang Hengxi Highway Construction Management Co., Ltd.	China	Shijiazhuang	Civil engineering construction	28.00	-	Equity method
Tangshan Stainless Steel Co., Ltd.	China	Tangshan	Smelting and pressing of ferrous metals	23.89	-	Equity method
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	China	Zhuhai	Property investment and development	20.00	-	Equity method
Chongqing Yuxiang Double Track Expressway Co., Ltd.	China	Chongqing	Highway investment and development	4.99	-	Equity method
Hebei Steel Luan County Sijiyang Iron Ore Co., Ltd.	China	Tangshan	Processing of ferrous metal ores	14.45	-	Equity method
Xiongan Xiongshang Real Estate Co., Ltd.	China	Xiongan	Property investment and development	10.00	-	Equity method
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	China	Yingkou	Special steel production and equipment manufacturing	48.96	-	Equity method
MCC Baoding Development and Construction Co., Ltd.	China	Baoding	Civil-engineering construction	10.00	-	Equity method
Xiong'an Xiongshang Financial Island Development Co., Ltd.	China	Baoding	Property investment and development	19.00	-	Equity method
Liuzhou Guoye Road and Bridge Investment and Development Co., Ltd.	China	Liuzhou	Highway investment and development	25.00	-	Equity method

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(1) Details of the Group's material joint ventures and associates (Continued)

RMB'000

Name of associate and joint venture	Principal place of operation	Place of registration	Nature of business	Shareholding ratio (%)		Accounting method
				Direct	Indirect	
Sichuan Development MCC Construction Investment Co., Ltd.	China	Chengdu	Infrastructure construction	40.00	-	Equity method
Hunan Chachang Expressway Construction and Development Co., Ltd.	China	Changsha	Highway investment and development	9.00	-	Equity method
Yunnan Lujiu Guangfu Expressway Investment Development Co., Ltd.	China	Wenshan Zhuang and Miao Autonomous Prefecture	Transportation infrastructural investment and construction and operation management	38.00	-	Equity method
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd.	China	Guangzhou	Property investment and development	15.00	-	Equity method
Gansu Gonghanglv Tongding Expressway Management Co., Ltd.	China	Dingxi	Highway investment and development	7.50	-	Equity method
Handan Jinrong Development and Construction Co., Ltd.	China	Handan	Property investment and development	30.00	-	Equity method
Jiangxi Xingang Southern New Materials Co., Ltd.	China	Xinyu	Non-metallic mineral products industry	30.00	-	Equity method
Tianjin Shenghe Real Estate Co., Ltd.	China	Tianjin	Property investment and development	10.00	-	Equity method
Shiyao Baoye Urban Construction Co., Ltd.	China	Shiyao	Municipal road engineering construction	47.50	-	Equity method
Gansu Jingli Expressway Longnan Management Co., Ltd.	China	Longnan	Highway investment and development	18.32	-	Equity method
Zhongshan Xiangshan Avenue Comprehensive Pipe Gallery Technology Co., Ltd.	China	Zhongshan	Construction and operation of comprehensive pipe gallery	60.00	-	Equity method
Yinchuan Huaiyuan Road Integrated Pipe Network Construction and Management Co., Ltd.	China	Yinchuan	Construction and operation of comprehensive pipe gallery	70.00	-	Equity method
Ningguo Hechuang Yongning City Operation Management Co., Ltd.	China	Ningguo	Civil engineering construction	41.00	-	Equity method
Huanggang Lianlu Water Service Co., Ltd.	China	Huanggang	Water production and supply industry	47.00	-	Equity method

The Group has no significant interest in any single joint venture or associate above.

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(1) Details of the Group's material joint ventures and associates (Continued)

(a) The grounds for holding less than 20% of the equity interest in the investees but the Group has common control or significant influence over these investees, and the grounds for holding 20% or more of the equity interest in the investees over which the Group does not have significant influence

(i) The grounds for holding less than 20% of the equity interest in the investees but the Group has common control or significant influence over these investees

The Group has several investees in which it holds less than 20% of the equity interest but has joint control or significant influence over the investees. As the Group has a sustainable right to appoint directors to the board of the investees and has already appointed directors, the Group has joint control or can exercise significant influence over the investees, therefore the investees are accounted for and managed as joint ventures or associates.

(ii) The grounds for holding 20% or more of the equity interest in the investees over which the Group does not have significant influence

The Group has several investees in which it holds more than 20% of the equity interest but has no joint control or significant influence over the investees. As the Group has no right to assign directors of the board of directors of the investees, and does not involve in or influence the financial and operating decisions or normal operating activities of the investees in any other forms, so these investees are not accounted for and managed as joint ventures or associates.

(2) Summarised financial information of material joint ventures and associates

RMB'000

Items	At 31 December 2025/ For the year ended 31 December 2025	At 31 December 2024/ For the year ended 31 December 2024
Joint ventures:		
Total carrying amount of investments	9,962,579	10,359,774
Total of the followings in proportion to shareholdings		
– Net (loss)/profit	(22,930)	60,230
– Other comprehensive income	–	–
– Total comprehensive (loss)/income	(22,930)	60,230
Associates:		
Total carrying amount of investments	30,768,926	27,718,986
Total of the followings in proportion to shareholdings		
– Net (loss)/profit	(35,907)	77,104
– Other comprehensive loss	(3,724)	(1,168)
– Total comprehensive (loss)/income	(39,631)	75,936

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IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(3) In the reporting period, there are no significant restrictions on the realisation of long-term equity investments, or on the remittance of cash arising from the investment income in joint ventures and associates.

3. Equity in structured entities included in the consolidated financial statements

As at 31 December 2025, the total planned fundraising amount of main structured entities included in the consolidated financial statements of the Group was approximately RMB16,041,080,000, of which the amount subscribed by the Group was approximately RMB7,936,520,000. As at 31 December 2025, the amount paid by the Group was approximately RMB4,145,634,000, of which approximately RMB376,858,000 was paid by other investors, which was accounted for in the long-term payables. The Group has no obligation or intention to provide financial support to these structured entities.

4. Equity in structured entities not included in the consolidated financial statements

As at 31 December 2025, the Group had cumulatively issued asset-backed securities and asset-backed notes of RMB28,069,900,000, and the subordinated tranches of the related asset-backed securities and asset-backed notes were RMB1,412,000,000. For the purpose of liquidity, the Group is obligated to make up the difference between the principal and fixed income of senior asset-backed securities and asset-backed notes in the amount of RMB26,657,900,000 and the distributable funds of the special asset-backed securities plan and asset-backed note trust in each phase. These special plans and trusts are not consolidated as the Group does not hold inferior shares and the probability of future liquidity supplement is assessed to be low.

As at 31 December 2025, the total amount of main structured entities not included in the consolidated financial statements participated by certain subsidiaries of the Group was approximately RMB41,663,065,000, of which approximately RMB4,936,847,000 was subscribed by the Group and approximately RMB36,726,218,000 was subscribed by other investors. Such structured entities were not consolidated as the Group does not have control over them. As at 31 December 2025, the Group's paid-in amount was approximately RMB3,620,304,000, of which approximately RMB203,120,000 was accounted for in long-term equity investments and approximately RMB3,417,184,000 was accounted for in other non-current financial assets. The Group's maximum exposure to these structured entities is the Group's carrying amount as of the balance sheet date. The Group has no obligation or intention to provide financial support to these structured entities.

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X. GOVERNMENT GRANTS

At 31 December 2025, liabilities related to government grants are as follows:

RMB'000

Government grants	Opening balance	Addition for the year	Included in non-operating income for the year	Included in other income for the year	Decrease from disposal of subsidiaries during the year	Other changes for the year	Closing balance	Related to assets/income
Deferred income	941,790	142,348	10,145	106,672	104,794	(124,097)	738,430	Related to assets/income

There were no material government grants refund this year.

The government grants recognised in profit or loss for the period are as follows:

RMB'000

Item	2025	2024
Government grants related to assets		
Recognised as other income	42,663	105,864
Recognised as non-operating income	–	251
Government grants related to income		
Recognised as other income	341,060	300,922
Recognised as non-operating income	40,579	40,005
Deduct operating cost	1,815	1,369
Deduct research and development expenditure	18,550	16,056
Deduct administrative expenses	56,635	55,824
Total	501,302	520,291

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XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Financial instruments and risk management

The Group's operating activities expose to a variety of financial risks: market risk (mainly including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management plan addresses the unpredictability of financial markets and seeks to reduce the potential negative impact on the operating results of the Group.

(1) Market risk

(a) Foreign exchange risk

The Group's principal operations are located in China, and its principal operating activities are settled in RMB. However, the Group's recognised foreign currency assets and liabilities, as well as future foreign currency transactions (primarily denominated in USD) are still exposed to foreign exchange risk. The treasury department of the headquarters of the Group is responsible for monitoring the scale of foreign currency transactions and foreign currency assets and liabilities to minimise the associated foreign exchange risk. The Group uses foreign exchange forward contracts and currency swap contracts to hedge a portion of the exchange rate risk. According to management's assessment, a reasonable fluctuation of the RMB against foreign currencies in the near term is not expected to have a significant impact on the Group's operating results.

As at 31 December 2025, amounts of the Group's foreign currency financial assets and financial liabilities translated into RMB are set out in Note VII, 69.

As at 31 December 2025, for financial assets and financial liabilities denominated in foreign currencies, mainly influenced by the exchange rate of RMB against USD, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, the profit after tax of the Group would have been approximately RMB77,031,000 higher/lower (as at 31 December 2024: approximately RMB61,369,000 higher/lower).

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments and risk management (Continued)

(1) Market risk (Continued)

(b) Interest rate risk

The Group's risk of changes in fair value of financial instruments due to changes in interest rates primarily arises from bank borrowings and bonds payable at fixed rate. The differences between the fair value and the carrying amount of the above fixed-rate financial instruments are set out in Note XII 2.

The Group's risk of changes in cash flow of financial instruments due to changes in interest rates primarily arises from bank borrowings at floating rate. The Group chooses the relative proportion of borrowing contracts with floating rates and those with fixed rates according to current market conditions.

As at 31 December 2025, short-term borrowings of the Group amounted to RMB22,127,213,000 (as at 31 December 2024: RMB33,853,836,000); long-term interest bearing debts at floating rates due within one year amounted to RMB6,266,714,000 (as at 31 December 2024: RMB5,988,647,000); long-term interest bearing debts at floating rates due over one year amounted to RMB29,624,600,000 (as at 31 December 2024: RMB26,179,967,000); long-term interest bearing debts at fixed rates due within one year amounted to RMB7,765,005,000 (as at 31 December 2024: RMB8,751,546,000); long-term interest bearing debts at fixed rates due over one year amounted to RMB14,232,489,000 (as at 31 December 2024: RMB18,818,835,000) (Notes VII, 25, 34, 36, 37, 38).

The treasury department of the headquarters of the Group continually monitors the level of interest rates. Any rise in interest rate would increase the cost of new borrowings and interest installments of existing loans with floating interest arrangements and generate significant negative financial effects on the Group's overall financial performance. The management would make timely strategic adjustments according to the latest market conditions; the adjustments of reducing interest rate risk may include the interest rate swap arrangement included in the Group's currency swap contracts during the reporting period.

During the reporting period, if the respective interest rates on RMB-denominated floating-rate borrowings had been 100 basis points higher/lower with all other variables held constant and no interest capitalisation involved, profit after income tax of the Group would have been RMB114,943,000 lower/higher (2024: approximately RMB281,116,000).

During the reporting period, if the interest rates on USD and other foreign currency-denominated floating-rate borrowings had been 100 basis points higher/lower with all other variables held constant, profit after income tax of the Group would have been RMB6,760,000 lower/higher (2024: approximately RMB23,829,000).

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XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments and risk management (Continued)

(2) Credit risk

As at 31 December 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from: the carrying amount of the respective recognised bank deposits, notes receivable and accounts receivable, receivables financing, other receivables and long-term receivables in the balance sheet of the Group.

To reduce credit risk, the Group assesses the credit qualification of customers and sets the corresponding credit period based on their financial position, the possibility of obtaining guarantee from the third party, credit records and other factors, such as the prevailing market conditions. The Group regularly monitors customers' credit records. For customers with bad credit records, the Group will send written reminders, shorten the credit period or cancel the credit period to ensure that the Group's overall credit risk is under control.

The credit risk on the bank deposits of the Group are limited because they are deposited with national banks and other large and medium listing banks.

In addition, external guarantees incurred by the Group may also result in financial losses. As at 31 December 2025, the Group's external guarantees are set out in Note XIV, 2(1) (b).

In addition to separately determining the credit loss of individual amounts, the Group evaluates the expected credit loss of accounts receivable by using an impairment matrix on a portfolio basis. The Group's accounts receivable involve a large number of customers, and the aging information can reflect the solvency of these customers. The Group divided accounts receivable into several portfolios based on the credit risk characteristics of different types of customers, calculated the historical actual loss rate of every portfolio in different ages according to the historical data, and then adjusted the expected credit loss rate after considering the current and future economic forecast, such as national GDP growth, consumer price index and other forward-looking information. For contract assets and long-term receivables, the Group reasonably evaluates the expected credit loss after considering the settlement period, the payment period of the contract, the financial position and the economic situation of the debtor and considering the above forward-looking information. For other financial assets, the Group calculates the expected credit loss rate through its default exposure and the rate of expected credit loss over the next 12 months or for the entire duration.

Please refer to Note V, 11 (2) in respect of the specific methods to assess whether the credit risk has been increased remarkably since initial recognition, the basis to determine whether a credit impairment has happened to the financial assets, the combination methods to divide the financial instruments in a combination as base assessment of anticipated credit risk, and the policies to write down the financial instruments directly.

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For the year ended 31 December 2025

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments and risk management (Continued)

(3) Liquidity risk

Subsidiaries of the Group take responsibility of their own cash flow forecast. On the basis of summarising cash flow forecasts from subsidiaries, the treasury department at the headquarters continuously monitors both short-term and long-term financing needs on the Group level in order to obtain adequate cash reserve and quoted securities. Meanwhile, the treasury department will constantly monitor any non-compliance of borrowings and obtain sufficient loan facilities from major financial institutions to meet both short-term and long-term financing needs.

Accounts payable related to supplier financing arrangements must be paid to a bank or supply chain platform rather than individual suppliers. This has resulted in the Group's small and unsettled amounts with multiple suppliers being converted into large unsettled amounts with a bank or supply chain platform. However, the payment terms for accounts payable covered by supplier financing arrangements do not extend beyond one year, and some of these terms are the same as those for other accounts payable. Given that the payment terms have not been significantly extended, the Group does not consider supplier financing arrangements to result in an excessive concentration of liquidity risk. The Group's exposure to liquidity risk from financial institutions through supplier financing arrangements. As at 31 December 2025, the Group's future payment obligations to this financial institution accounted for 6.32% of the total liabilities, with repayment due dates ranging from 9 January 2026 to 24 December 2026.

As at 31 December 2025, the financial liabilities and lease liabilities of the Group were analysed by their maturity dates below at their undiscounted contractual cash flows:

RMB'000

Items	Due on demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities						
Short-term borrowings	-	22,214,999	-	-	-	22,214,999
Derivative financial liabilities	-	648,732	-	-	-	648,732
Notes payable	-	25,608,315	-	-	-	25,608,315
Accounts payable	-	396,600,873	-	-	-	396,600,873
Other payables	-	50,256,178	-	-	-	50,256,178
Long-term borrowings	-	15,436,308	11,331,849	16,348,935	25,384,729	68,501,821
Bonds payable	-	58,600	58,600	175,800	2,185,111	2,478,111
Lease liabilities	-	216,118	141,682	210,898	106,502	675,200
Long-term payables	-	268,959	389,426	185,810	424,218	1,268,413
Financial guarantee (Note XIV, 2 (b))	799,323	-	-	-	-	799,323
Total	799,323	511,309,082	11,921,557	16,921,443	28,100,560	569,051,965

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For the year ended 31 December 2025

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

At 31 December 2025, the carrying amount of bank acceptances and commercial acceptances endorsed and discounted by the Group was RMB3,005,479,000 (as at 31 December 2024: RMB2,785,078,000). In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include default risks relating to such endorsed and discounted acceptances, and accordingly, it continued to recognise the full carrying amounts of the endorsed and discounted acceptances, the associated accounts payable settled, or bank borrowings. Subsequent to the endorsement or discount, the Group did not retain any rights on the use of the endorsed and discounted acceptances, including the sale, transfer or pledge of them to any other third parties. The aggregate carrying amount of the accounts payable settled by the endorsed and discounted acceptances or bank borrowings obtained during the year to which the suppliers have recourse was RMB3,000,603,000 (as at 31 December 2024: RMB2,785,078,000) at 31 December 2025.

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

At 31 December 2025, the carrying amount of bank acceptances endorsed and discounted by the Group but not yet due was RMB8,828,465,000 (as at 31 December 2024: RMB12,216,298,000). The derecognised acceptances had a maturity of 1 to 12 months at 31 December 2025. In accordance with the Law of Negotiable Instruments, the holders of the derecognised acceptances may exercise the right of recourse against any, several or all of the persons, including the Group, liable for the derecognised acceptances regardless of the order of precedence (the "continuing involvement"). In the opinion of the Group, the Group has transferred substantially all the risks and rewards relating to the derecognised acceptances. Accordingly, it has derecognised the full carrying amounts of the derecognised acceptances and the associated accounts payable, and recognised discounting fees. The maximum exposure to loss from the Group's continuing involvement in the derecognised acceptances and the undiscounted cash flows to repurchase these derecognised acceptances is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's continuing involvement in the derecognised acceptances are not significant.

In 2025, the Group did not recognise any gain or loss on the date of transfer of the derecognised acceptances. No gains or losses were recognised from the continuing involvement, both during the period or cumulatively. The endorsement and discounting have been made evenly throughout the year.

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For the year ended 31 December 2025

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as the total borrowings (including long-term borrowings, short-term borrowings, bonds payable and lease liabilities) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet, plus net debt. The Group aims to maintain the gearing ratio at a reasonable level.

The gearing ratios of the Group as at 31 December 2025 and 31 December 2024 are as follows:

RMB'000

Items	31 December 2025	31 December 2024
Total borrowings		
Short-term borrowings (<i>Note VII, 25</i>)	22,127,213	33,853,836
Long-term borrowings (inclusive of those due within one year) (<i>Note VII, 36</i>)	55,237,884	53,272,119
Bonds payable (inclusive of those due within one year) (<i>Note VII, 37</i>)	2,048,833	5,455,291
Lease liabilities (inclusive of those due within one year) (<i>Note VII, 38</i>)	602,091	576,601
Less: Cash and cash equivalents (<i>Note VII, 68 (2)</i>)	69,486,260	43,190,604
Net debt	10,529,761	49,967,243
Shareholders' equity	183,559,438	182,335,866
Total capital	194,089,199	232,303,109
The gearing ratio	5.43%	21.51%

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XII. FAIR VALUE DISCLOSURES

1. Assets and liabilities that are continuously measured at fair value

RMB'000

Items	Fair value at 31 December 2025			Total
	Level 1 of the fair value hierarchy (a)	Level 2 of the fair value hierarchy (b)	Level 3 of the fair value hierarchy (c) (d)	
I. Assets that are continuously measured at fair value				
(I) Financial assets at FVTPL	769	4,356,773	18,384	4,375,926
1. Held-for-trading financial assets	769	–	1,261	2,030
– Equity instrument investments	769	–	1,261	2,030
2. Other non-current financial assets	–	4,356,773	17,123	4,373,896
– Investments in unquoted funds and trust products	–	4,356,773	–	4,356,773
– Others	–	–	17,123	17,123
(II) Receivables financing	–	9,066,234	–	9,066,234
(III) Other equity instrument investments	377,089	–	1,412,324	1,789,413
1. Stock investments of listed companies	377,089	–	–	377,089
2. Equity investments of unlisted companies	–	–	1,412,324	1,412,324
Total assets that are continuously measured at fair value	377,858	13,423,007	1,430,708	15,231,573
II. Liabilities that are continuously measured at fair value				
I. Derivative financial liabilities	–	648,732	–	648,732
Total liabilities that are continuously measured at fair value	–	648,732	–	648,732

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For the year ended 31 December 2025

XII. FAIR VALUE DISCLOSURES (CONTINUED)

1. Assets and liabilities that are continuously measured at fair value (Continued)

(a) *The basis of market prices determined on level 1 of the fair value hierarchy*

Fair value of non-held-for-trading equity instrument investments with listed companies in held-for-trading financial assets and investments in other equity instruments is based on their closing prices of publicly traded market on the last trading day of the reporting period.

(b) *Qualitative and quantitative information of valuation techniques and key inputs on level 2 of the fair value hierarchy*

	Valuation techniques	Key inputs
Other non-current financial assets – Investments in unquoted funds and trust products	Discounted cash flow method	Average yield rate of similar products of the same term
Derivative financial instruments	Discounted cash flow method	The forward rate
Receivables financing	Discounted cash flow method	Discounting rate of bank acceptance for the same period

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For the year ended 31 December 2025

XII. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Assets and liabilities that are continuously measured at fair value (Continued)

(c) *Qualitative and quantitative information of valuation techniques and key inputs on level 3 of the fair value hierarchy*

	Valuation techniques	Key inputs
Held-for-trading financial assets – Unlisted equity investments, investments in other equity instruments – Non-held-for-trading equity instrument investments in unlisted companies, other non-current financial assets – Equity instrument investments	Cost method/Market method/Income method	Future cash flows, discount rate, discount rate for lack of marketability, and PE ratio and PB ratio of comparable listed companies from the same industry

(d) *Reconciliation information for assets and liabilities that are continuously measured at Level 3 fair value*

RMB'000

Items	31 December 2024	Addition for the year	Changes in fair value	Disposal for the year	31 December 2025
Held-for-trading financial assets – Unlisted equity investments	1,261	–	–	–	1,261
Investments in other equity instruments – Non-held-for-trading equity instrument investments in unlisted companies	1,244,781	170,416	1,025	(3,898)	1,412,324
Other non-current financial assets – Equity instrument investments	297,720	–	(2,147)	(278,450)	17,123

There was no transfer between any levels of the fair value hierarchy in the reporting period. There was no change in the valuation techniques in the reporting period.

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For the year ended 31 December 2025

XII. DISCLOSURE OF FAIR VALUE (CONTINUED)

2. Financial assets and financial liabilities that are not continuously measured at fair value

Notes receivables, accounts receivable, other receivables, long-term receivables, non-current assets due within one year, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, long-term payables and non-current liabilities due within one year included in the financial assets and financial liabilities that are not continuously measured at fair value.

The management believes that, the carrying amounts of the above financial assets and financial liabilities measured at amortized cost approximate the fair values of such assets and liabilities.

XIII. RELATED PARTIES AND TRANSACTIONS

1. Details of the parent company of the Company

RMB'000

Name of the parent company	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership interest held by the parent (%)	Proportion of the Company's voting power held by the parent (%)
CMC	Beijing	Integrated	10,200,000	44.26	44.26

As stated in Note III, CMC together with its other subsidiaries other than the Group are the Group's related parties.

Related party transactions between the Group and CMC together with its other subsidiaries other than the Group also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

SASAC is the ultimate controlling party of the Company.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note IX, 1.

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates of the Group

Details of the principal joint ventures and associates of the Group are set out in Note IX, 2.

Joint ventures and associates that entered into transactions with the Group during the year, or during the prior period with remaining closing balance were as follows:

Name of joint ventures and associates	Relationship with the Group
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	Joint venture
Xuzhou Guoye Transportation Investment Co., Ltd.	Joint venture
Tianjin MCC Mingjin Real Estate Co., Ltd.	Joint venture
Suzhou Zhongyuanrui Real Estate Development Co., Ltd.	Joint venture
Sichuan Baojiang Data Industrial Park Development and Construction Co., Ltd.	Joint venture
Shenyang Dongyi International Health Development Co., Ltd.	Joint venture
Minhou Baoxin Construction Co., Ltd.	Joint venture
Chongqing Chengyu Dianfengwu Expressway Co., Ltd.	Joint venture
Dazhou Metallurgical Construction Engineering Project Management Co., Ltd.	Joint venture
Beijing Tiancheng Guyun Property Management Co., Ltd.	Joint venture
Chongqing Yunkai Expressway Co., Ltd.	Associate
MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	Associate
MCC Beris Jiangsu Heavy Industry Corporation	Associate
MCC Baoding Development and Construction Co., Ltd.	Associate
Weihai Zhiye Health Care Construction Project Management Co., Ltd.	Associate
Lankao Zhongpu Investment Management Co., Ltd.	Associate
Zhengzhou Huituo Urban Rural Construction Co., Ltd.	Associate
Yunnan Yongmeng Expressway Construction and Development Co., Ltd.	Associate
Yunnan Mangliang Expressway Investment and Development Co., Ltd.	Associate
Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	Associate
Yichang High Speed Railway New Town Construction Co., Ltd.	Associate
Xiongan Xiongshang Real Estate Co., Ltd.	Associate
Xiong'an Xiongshang Financial Island Development Co., Ltd.	Associate
Xinye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	Associate
Xi'an Zhihui City Underground Comprehensive Pipe Gallery Operation and Management Co., Ltd.	Associate
Wuhan Lvyan Construction Engineering Co., Ltd.	Associate
Wuhan Huangwu Expressway Construction Management Co., Ltd.	Associate
Wuhu Hechuang Yonglong Real Estate Co., Ltd.	Associate
Tianjin MCC Tuanbo Urban Rural Development Co., Ltd.	Associate
Tianjin Shenghe Real Estate Co., Ltd.	Associate
Suining Kaihong Construction Development Co., Ltd.	Associate
Sixian Siye Construction Investment Co., Ltd.	Associate
Sichuan Tianfu New Area Zhongheng Hengde Real Estate Co., Ltd.	Associate
Sichuan Suiyu Expressway Co., Ltd.	Associate
Shuicheng County Blue Ocean Huaxing Education Investment and Construction Co., Ltd.	Associate

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates of the Group (Continued)

Joint ventures and associates that entered into transactions with the Group during the year, or during the prior period with remaining closing balance were as follows: (Continued)

Name of joint ventures and associates	Relationship with the Group
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	Associate
Shanghai Zhongbao Zhiwei Industrial Technology Co., Ltd.	Associate
Shanghai Ruiyuan Urban Construction Development Co., Ltd.	Associate
Shanghai Libo Urban Construction and Development Co., Ltd.	Associate
Shanghai Baoyang Maoye Construction and Development Co., Ltd.	Associate
Shandong Expressway Jiwei Highway Co., Ltd.	Associate
Shandong Expressway Jiqing Middle Line Highway Co., Ltd.	Associate
Inner Mongolia Tongye Construction Project Management Co., Ltd.	Associate
Inner Mongolia Chengye Construction Project Management Co., Ltd.	Associate
Nanyang Jinye Real Estate Development Co., Ltd.	Associate
Nanjing Zhongkang Construction and Development Co., Ltd.	Associate
Nanjing Puou Construction and Development Co., Ltd.	Associate
Mianyang Kefa Yuanda Construction Technology Co., Ltd.	Associate
Ma'anshan Jin'an Borui Real Estate Co., Ltd.	Associate
Lanzhou Zhenghao Pipe Corridor Project Management Co., Ltd.	Associate
Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	Associate
Huangshi Urban Green Environment Development Co., Ltd.	Associate
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	Associate
Honghe Luqiu Expressway Investment and Development Co., Ltd.	Associate
Hebei Jingcan Real Estate Co., Ltd.	Associate
Hebei Jingtang Industrial Technology Co., Ltd.	Associate
Hangzhou Fuyu Construction Management Co., Ltd.	Associate
Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	Associate
Guizhou Xinye Infrastructure Investment Co., Ltd.	Associate
Guangzhou Keling Investment and Development Co., Ltd.	Associate
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd.	Associate
Ezhou Xinsheng Construction Engineering Co., Ltd.	Associate
Dancheng Zhongyi Ecological Environment Management Co., Ltd.	Associate
Dazhou Guanshi Metallurgical Construction Engineering Co., Ltd.	Associate
Binhai Shengxin Project Management Co., Ltd.	Associate
Bengbu Jin'an Real Estate Co., Ltd.	Associate
Anyang Hechuang Yongrui Asset Operation Co., Ltd.	Associate
Shanghai Siruiwei Urban Construction Engineering Co., Ltd.	Subsidiary of associate
Shanghai Libo Construction Co., Ltd.	Subsidiary of associate
Shanghai Libo Jiacheng Construction Co., Ltd.	Subsidiary of associate
Shanghai Boweida Construction Engineering Co., Ltd.	Subsidiary of associate

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Group

Other related parties that entered into transactions with the Group during the year, or during the prior period with closing balance were as follows (such transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange):

Name of other related parties	Relationship with the Group
Jiuquan Iron and Steel (Group) Co., Ltd. and all its subsidiaries	Shareholders holding more than 10% of the shares of a significant subsidiary of MCC
Subsidiaries of CMC:	
MCC Real Estate ^(Note)	Under common control of CMC
MCC Real Estate Group Baotou Mingyang Real Estate Development Co., Ltd. ^(Note)	Under common control of CMC
MCC Ramu New Energy Technology Co., Ltd.	Under common control of CMC
China Nonferrous Engineering ^(Note)	Under common control of CMC
CMGC	Under common control of CMC
China Minmetals Corporation Limited	Under common control of CMC
China National Foreign Trade Financial & Leasing Co., Ltd.	Under common control of CMC
China ENFI Engineering Co., Ltd. ^(Note)	Under common control of CMC
Minmetals Yueju Property Service (Beijing) Co., Ltd.	Under common control of CMC
Minmetals Nonferrous Metals Co., Ltd.	Under common control of CMC
Minmetals Salt Lake Co., Ltd.	Under common control of CMC
Minmetals Property Services (Hunan) Co., Ltd.	Under common control of CMC
Minmetals Property Services (Guangdong) Co., Ltd.	Under common control of CMC
Minmetals Logistics Group Co., Ltd.	Under common control of CMC
Minmetals Century Mining (Anshan) Co., Ltd.	Under common control of CMC

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Group (Continued)

Other related parties that entered into transactions with the Group during the year, or during the prior period with closing balance were as follows (such transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange):
(Continued)

Name of other related parties	Relationship with the Group
Minmetals Longteng Intermodal Transport (Shanghai) Co., Ltd.	Under common control of CMC
Minmetals Finance Company	Under common control of CMC
Minmetals Hanxing Mining (Anhui) Property Management Co., Ltd.	Under common control of CMC
Minmetals International Trust Co., Ltd.	Under common control of CMC
Minmetals Steel Chongqing Co., Ltd.	Under common control of CMC
Minmetals Steel Co., Ltd.	Under common control of CMC
Minmetals Steel Xi'an Co., Ltd.	Under common control of CMC
Minmetals Steel Tianjin Co., Ltd.	Under common control of CMC
Minmetals Steel Shanghai Co., Ltd.	Under common control of CMC
Minmetals Steel Lanzhou Co., Ltd.	Under common control of CMC
Minmetals Steel Chengdu Co., Ltd.	Under common control of CMC
Minmetals Steel Beijing Co., Ltd.	Under common control of CMC
Minmetals Steel (Wuhan) Limited Company	Under common control of CMC
23rd Metallurgical Construction Group Co., Ltd. of Minmetals	Under common control of CMC
23rd Metallurgical Construction Group Mining Engineering Co., Ltd. of Minmetals	Under common control of CMC
Minmetals Land Holding Co., Ltd.	Under common control of CMC
Qinghai Salt Lake Magnesium Industry Co., Ltd.	Under common control of CMC
Nanjing MCC Minghan Real Estate Co., Ltd.	Under common control of CMC
Longteng Yunchuang Industrial Internet (Beijing) Co., Ltd.	Under common control of CMC
Jianhe Innovation Technology (Hainan) Co., Ltd.	Under common control of CMC
Hunan Nonferrous Metals Co., Ltd.	Under common control of CMC
Hunan Shizhuyuan Nonferrous Metals Co., Ltd.	Under common control of CMC
Hebei Xiong'an MCC Mingzhuo Industrial Development Co., Ltd.	Under common control of CMC
Chengdu Hongqiang Property Management Co., Ltd.	Under common control of CMC
Northern Europe Metal Minerals Co., Ltd.	Under common control of CMC

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

4. Other related parties of the Group (Continued)

Other related parties that entered into transactions with the Group during the year, or during the prior period with closing balance were as follows (such transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange):
(Continued)

<u>Name of other related parties</u>	<u>Relationship with the Group</u>
Beijing Zhongshun Jinda Trading Co., Ltd.	Under common control of CMC
Beijing Dongxing Metallurgical New Technology Development Co., Ltd.	Under common control of CMC
Beijing Fifth Square Real Estate Co., Ltd.	Under common control of CMC
Tangshan Runda Property Service Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Yancheng Dafeng Yexin Construction Engineering Development Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Longnan Metallurgical Investment Construction Management Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Hubei Dongye Construction Investment Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Nanyang Yuye Urban Development Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Yantai Tongyuan Tianfu Construction Management Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation
Puyang Guoye Urban Development Construction Co., Ltd.	CMC holds more than 30% of its equity interest, has significant influence over it, but does not include it in the scope of consolidation

Note: In the year, the Company transferred 100% equity interest in MCC Real Estate, China Nonferrous Engineering, MCC Tongsin, Ramu Management, as well as 67.02% equity interest in MCC-JJJ, to Minmetals Land and CMC, and consequently lost control over the aforementioned companies. Following the completion of this transaction, the aforementioned companies and their subsidiaries and the Group became under the common control of CMC.

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Related party transactions

(1) Purchase or sales of goods, rendering or receipt of services

(a) Purchase of goods/receipt of services

RMB'000

Related parties	Details of related party transactions	For the year ended 31 December 2025	For the year ended 31 December 2024
Transactions with companies under common control of CMC ^(Note) .		7,356,089	10,053,122
Minmetals Steel Chengdu Co., Ltd.	Purchase of goods	2,319,058	3,404,593
Minmetals Steel (Wuhan) Limited Company	Purchase of goods	977,605	1,032,240
Minmetals Steel Tianjin Co., Ltd.	Purchase of goods	658,396	557,087
Minmetals Steel Shanghai Co., Ltd.	Purchase of goods	648,137	1,221,722
Hunan Nonferrous Metals Co., Ltd.	Purchase of goods	427,301	–
23rd Metallurgical Construction Group Co., Ltd. of Minmetals	Receipt of services	405,888	252,817
Minmetals Steel Chongqing Co., Ltd.	Purchase of goods	383,442	526,636
23rd Metallurgical Construction Group Mining Engineering Co., Ltd. of Minmetals	Receipt of services	299,392	–
Minmetals Steel Beijing Co., Ltd.	Purchase of goods	229,156	469,100
Minmetals Longteng Intermodal Transport (Shanghai) Co., Ltd.	Receipt of services	185,701	61,883
Minmetals Steel Co., Ltd.	Purchase of goods	131,860	699,357
Minmetals Steel Lanzhou Co., Ltd.	Purchase of goods	116,757	123,735
Minmetals Logistics Group Co., Ltd.	Purchase of goods and receipt of services	92,136	204,193
Others	Purchase of goods and receipt of services	481,260	1,499,759
Transactions with joint ventures and associates:		3,907,892	3,137,177
Shanghai Zhongbao Zhiwei Industrial Technology Co., Ltd.	Receipt of services	1,130,104	–
Shanghai Boweida Construction Engineering Co., Ltd.	Receipt of services	632,234	783,351
Hebei Jingtang Industrial Technology Co., Ltd.	Purchase of goods and receipt of services	612,742	415,678
Shanghai Libo Construction Co., Ltd.	Purchase of goods and receipt of services	371,377	–
Xinye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	Purchase of goods and receipt of services	270,081	258,945
Mianyang Kefa Yuanda Construction Technology Co., Ltd.	Purchase of goods and receipt of services	176,206	–
Shanghai Siruiwei Urban Construction Engineering Co., Ltd.	Receipt of services	172,079	138,235
Others	Purchase of goods and receipt of services	543,069	1,540,968

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange. For the year ended 31 December 2025, the annual approval limit for such connected transactions is RMB28,900,000,000.

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(1) Purchase or sales of goods, rendering or receipt of services (Continued)

(b) Sales of goods/rendering of services

RMB'000

Related parties	Details of related party transactions	For the year ended 31 December 2025	For the year ended 31 December 2024
Transactions with shareholders holding more than 10% of the shares of a significant subsidiary of MCC ^(Note) :		-	1,426,003
Jiuquan Iron and Steel (Group) Co., Ltd. and all its subsidiaries	Sales of goods and rendering of services	-	1,426,003
Transactions with companies under common control of CMC ^(Note) :		6,116,633	5,840,675
Minmetals Nonferrous Metals Co., Ltd.	Sales of goods and rendering of services	2,639,812	2,705,893
MCC Ramu New Energy Technology Co., Ltd.	Sales of goods and rendering of services	601,693	449,558
Northern Europe Metal Minerals Co., Ltd.	Sales of goods	541,941	419,634
Minmetals Century Mining (Anshan) Co., Ltd.	Sales of goods and rendering of services	331,233	186,041
CMC	Rendering of services	224,252	29,015
Minmetals Salt Lake Co., Ltd.	Sales of goods and rendering of services	221,432	350,902
Hunan Shizhuyuan Nonferrous Metals Co., Ltd.	Rendering of services	192,012	42,059
Others	Sales of goods and rendering of services	1,364,258	1,657,573
Companies that CMC holds more than 30% of their equity interest, has significant influence over them, but does not include them in the scope of consolidation ^(Note) :		1,680,615	3,529,561
Hubei Dongye Construction Investment Co., Ltd.	Rendering of services	1,019,944	1,824,950
Nanyang Yuye Urban Development Co., Ltd.	Rendering of services	331,347	1,403,502
Yantai Tongyuan Tianfu Construction Management Co., Ltd.	Rendering of services	292,709	7,046
Longnan Metallurgical Investment Construction Management Co., Ltd.	Rendering of services	36,615	236,160
Puyang Guoye Urban Development Construction Co., Ltd.	Rendering of services	-	57,903
Transactions with joint ventures and associates:		28,125,352	33,132,004
Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	Rendering of services	2,136,240	2,858,310
Xiongan Xiongshang Real Estate Co., Ltd.	Rendering of services	1,926,255	-
Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	Rendering of services	1,324,589	353,518

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(1) Purchase or sales of goods, rendering or receipt of services (Continued)

(b) Sales of goods/rendering of services (Continued)

RMB'000

Related parties	Details of related party transactions	For the year ended 31 December 2025	For the year ended 31 December 2024
Dazhou Guanshi Metallurgical Construction Engineering Co., Ltd.	Rendering of services	936,674	955,395
Xiong'an Xiongshang Financial Island Development Co., Ltd.	Rendering of services	875,048	-
Yichang High Speed Railway New Town Construction Co., Ltd.	Rendering of services	762,120	565,446
Guangzhou Chengtou Airport Exhibition Investment Development Co., Ltd.	Rendering of services	558,017	-
Inner Mongolia Chengye Construction Project Management Co., Ltd.	Rendering of services	542,062	43,124
Huangshi Urban Green Environment Development Co., Ltd.	Rendering of services	538,311	189,032
Dazhou Metallurgical Construction Engineering Project Management Co., Ltd.	Rendering of services	522,099	609,046
Chongqing Yunkai Expressway Co., Ltd.	Rendering of services	521,011	801,904
Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	Rendering of services	485,937	500,922
Guangzhou Keling Investment and Development Co., Ltd.	Rendering of services	469,232	-
Shandong Expressway Jiwei Highway Co., Ltd.	Rendering of services	453,749	-
Shenyang Dongyi International Health Development Co., Ltd.	Rendering of services	453,205	-
Sichuan Suiyu Expressway Co., Ltd.	Rendering of services	446,581	-
Others	Sales of goods and rendering of services	15,174,222	26,255,307

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(1) Purchase or sales of goods, rendering or receipt of services (Continued)

(b) Sales of goods/rendering of services (Continued)

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange. For the year ended 31 December 2025, the annual approval limit for such connected transactions is RMB20,100,000,000.

(2) Related party leases

(a) The Group as a lessor

		<i>RMB'000</i>	
Name of lessee	Type of leased assets	Leasing income recognised for the year	Leasing income recognised for prior year
Beijing Tiancheng Guyun Property Management Co., Ltd.	Buildings and structures	14,872	–
CMGC ^(Note)	Buildings and structures	11,702	4,298
Tangshan Runda Property Service Co., Ltd. ^(Note)	Buildings and structures	3,975	2,817
Xinye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	Buildings and structures	997	463
Others	Buildings and structures	333	1,950
Total	/	<u>31,879</u>	<u>9,528</u>

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(2) Related party leases (Continued)

(b) The Group as a lessee

RMB'000

Name of lessor	Type of leased assets	Lease liabilities as at 31 December 2025	Increase in cost of right-of-use assets for the year ended 31 December 2025	Lease expenses recognised for the year ended 31 December 2025
CMGC <i>(Note)</i>	Buildings and structures	18,675	56,841	63,293
Beijing Dongxing Metallurgical New Technology Development Co., Ltd. <i>(Note)</i>	Buildings and structures	-	-	19,421
Chengdu Hongqiang Property Management Co., Ltd. <i>(Note)</i>	Buildings and structures	-	-	1,536
Minmetals Hanxing Mining (Anhui) Property Management Co., Ltd. <i>(Note)</i>	Buildings and structures	-	-	754
Minmetals Yueju Property Service (Beijing) Co., Ltd. <i>(Note)</i>	Buildings and structures	-	-	988
Minmetals Property Services (Guangdong) Co., Ltd. <i>(Note)</i>	Buildings and structures	-	-	983
China Nonferrous Engineering <i>(Note)</i>	Buildings and structures	5,267	-	-
Minmetals Property Services (Hunan) Co., Ltd. <i>(Note)</i>	Buildings and structures	-	-	2,380
Beijing Fifth Square Real Estate Co., Ltd. <i>(Note)</i>	Buildings and structures	-	-	2
Tangshan Runda Property Service Co., Ltd. <i>(Note)</i>	Buildings and structures	-	-	18,451
Sichuan Tianfu New Area Zhongheng Hengde Real Estate Co., Ltd.	Buildings and structures	-	15,759	7,879
Beijing Tiancheng Guyun Property Management Co., Ltd.	Buildings and structures	-	-	5,702
Hebei Jingtang Industrial Technology Co., Ltd.	Buildings and structures	-	-	1,067
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	Buildings and structures	-	-	747
Total	/	23,942	72,600	123,203

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(3) Guarantees for related parties

31 December 2025:

(a) The Group as the guarantor

RMB'000

Guarantee	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether the execution of guarantee has been completed
Zhuhai Hengqin Headquarters Building Development Co., Ltd.	302,674	04/09/2019	05/09/2027	No
Beijing Zhongshun Jinda Trading Co., Ltd. ^(Note)	350,000	15/05/2029	15/05/2031	No

Note: As described in Note VIII, 2, the Group disposed of 100% equity interest in Minmetals land and related claims to Minmetals Real Estate Holdings Co., Ltd., a related party. In 2024, the Company provided a joint and several liability guarantee for a trust loan obtained by Beijing Zhongshun Jinda Trading Co., Ltd. (hereinafter referred to as "Zhongshun Jinda"), a subsidiary of Zhongye Real Estate Group. Upon completion of the aforementioned transaction, Zhongshun Jinda became a related party of the Company, and the aforesaid guarantee provided by the Company constituted a related party guarantee. In respect of the above guarantee, the Company signed a counter-guarantee agreement with CMC in December 2025, whereby CMC provided a counter-guarantee for the aforesaid guarantee.

(b) The Group as the party being granted credit

RMB'000

Credit grantor	Type of credit	Credit line	Inception date of credit	Expiration date of credit	Credit line used
Minmetals Finance Company ^(Note)	Loans	13,000,000	08/02/2025	08/02/2027	1,790,000
Minmetals Finance Company ^(Note)	Acceptance, non-financing letters of guarantee, and others	1,500,000	08/02/2025	08/02/2027	11,038
Minmetals Finance Company ^(Note)	Notes discounting	500,000	08/02/2025	08/02/2027	-
Total		15,000,000	/	/	1,801,038

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(4) Financing with related parties

RMB'000

Related parties	Amount	Inception date	Expiration date	Notes
Borrowings				
Minmetals Finance Company ^(Note)	2,000,000	27/2/2025	26/12/2025	Working capital borrowings
Minmetals Finance Company ^(Note)	2,000,000	25/3/2025	26/12/2025	Working capital borrowings
Minmetals Finance Company ^(Note)	1,000,000	16/4/2025	26/12/2025	Working capital borrowings
Minmetals Finance Company ^(Note)	1,000,000	28/4/2025	28/4/2026	Working capital borrowings
Minmetals Finance Company ^(Note)	500,000	28/4/2025	26/12/2025	Working capital borrowings
Minmetals Finance Company ^(Note)	10,000	16/6/2025	16/6/2026	Working capital borrowings
Minmetals Finance Company ^(Note)	200,000	17/12/2025	17/12/2026	Working capital borrowings
Minmetals Finance Company ^(Note)	300,000	18/12/2025	18/12/2027	Working capital borrowings
Minmetals Finance Company ^(Note)	175,000	22/12/2025	18/12/2027	Working capital borrowings
Minmetals Finance Company ^(Note)	205,000	22/12/2025	18/12/2027	Working capital borrowings
CMGC ^(Note)	5,470	17/9/2025	17/9/2028	Working capital borrowings
CMGC ^(Note)	12,500	19/9/2025	18/9/2028	Working capital borrowings
CMGC ^(Note)	439,080	22/9/2025	22/9/2028	Working capital borrowings
CMGC ^(Note)	10,000	5/12/2025	5/12/2028	Working capital borrowings
CMC ^(Note)	15,000	5/12/2025	5/12/2028	Working capital borrowings
Total	<u>7,872,050</u>	/	/	/

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

Financing with related parties above is interest-bearing. The interest rates ranged from 1.35% to 3.95%.

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(5) Transfer of assets to related parties

In 2025, the Company transferred 100% equity interest and related creditor's right in MCC Real Estate, 100% equity interest in China Nonferrous Engineering, 100% equity interest in MCC Tongsin, and 100% equity interest in Ramu Management, as well as 67.02% equity interest in MCC-JJJ, to Minmetals land and CMC, and consequently lost control over the aforementioned companies, which shall be no longer included in the consolidated financial statements of the Group as at 31 December 2025. For details, see Note VIII, 2.

(6) Compensation to key management personnel

Key management personnel include the directors (executive directors and non-executive directors), supervisors, president, vice presidents, board secretary, and chief accountant. Compensation paid or to be paid as employee services to key management personnel is as follows:

RMB'000

Items	2025	2024
Salaries, housing benefits, other allowances and benefits in kind	7,545	8,736
Pension scheme contributions	436	478
Discretionary bonus	1,789	3,374
Total	9,770	12,588

(a) Directors' and supervisors' remunerations

RMB'000

Items	2025	2024
Salaries, housing benefits, other allowances and benefits in kind	3,525	3,732
Pension scheme contributions	139	158
Discretionary bonus	544	1,312
Total	4,208	5,202

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(6) Compensation to key management personnel (Continued)

(a) Directors' and supervisors' remunerations (Continued)

Compensations for individual directors and supervisors for the year ended 31 December 2025 were as follows:

RMB'000

	Salaries, housing benefits, other allowances and benefits in kind	Pension scheme contributions	Discretionary bonus	Total
Executive directors:				
Chen Jian Guang (i)	-	-	-	-
Bai Xiao Hu	1,032	71	269	1,372
Independent non-executive directors:				
Zhou Ji Chang (until 12 March 2025) (ii)	56	-	-	56
Liu Li	332	-	-	332
Wu Jia Ning	326	-	-	326
Zhou Guo Ping	328	-	-	328
Non-executive director:				
Lang Jia	299	-	-	299
Employee representative director:				
Yan Ai Zhong	1,032	68	240	1,340
Supervisors (iii):				
Yin Si Song (until 30 June 2025)	120	-	35	155
Zhang Yan Di (until 30 June 2025) (iv)	-	-	-	-
Chu Zhi Qi (until 30 June 2025) (v)	-	-	-	-
Total	3,525	139	544	4,208

(i) The executive director Chen Jian Guang did not receive any compensation in MCC in 2025;

(ii) On 12 March 2025, the Board of Directors of the Company received a written resignation report from Mr. Zhou Ji Chang, an independent non-executive director. Mr. Zhou resigned from his position as an independent non-executive director since he has served continuously in this role for six year;

(iii) As the resolution to amend the Company's Articles of Association was approved by the general meeting of shareholders of MCC on 30 June 2025, the Board of Supervisors will be abolished, with its functions and powers to be exercised by the Audit Committee under the Board of Directors. The term of office for all members of the Board of Supervisors shall terminate as of 30 June 2025;

(iv) Supervisor Zhang Yan Di did not receive any remuneration as a supervisor after being transferred to a subsidiary of MCC in May 2022, and the disclosed remuneration was zero;

(v) Chu Zhi Qi, the employee representative supervisor, did not receive any remuneration as a person in charge after being transferred to a subsidiary of MCC in September 2023, and the disclosed remuneration was zero.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(6) Compensation to key management personnel (Continued)

(a) Directors' and supervisors' remunerations (Continued)

Compensations for individual directors and supervisors for the year ended 31 December 2024 were as follows:

RMB '000

	Salaries, housing benefits, other allowances and benefits in kind	Pension scheme contributions	Discretionary bonus	Total
Executive directors:				
Chen Jian Guang (i)	-	-	-	-
Bai Xiao Hu	1,041	70	368	1,479
Independent non-executive directors:				
Zhou Ji Chang (ii)	294	-	-	294
Liu Li	297	-	-	297
Wu Jia Ning	297	-	-	297
Zhou Guo Ping (iii)	-	-	-	-
Non-executive director:				
Lang Jia	276	-	-	276
Employee representative director:				
Yan Ai Zhong	1,037	66	323	1,426
Supervisors:				
Yin Si Song	490	22	621	1,133
Zhang Yan Di (iv)	-	-	-	-
Chu Zhi Qi (v)	-	-	-	-
Total	3,732	158	1,312	5,202

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(6) Compensation to key management personnel (Continued)

(a) Directors' and supervisors' remunerations (Continued)

Compensations for individual directors and supervisors for the year ended 31 December 2024 were as follows: (Continued)

- (i) Executive director Chen Jian Guang did not receive any compensation in MCC in 2024;
- (ii) On 12 March 2025, the Board of Directors of the Company received a written resignation report from Mr. Zhou Ji Chang, an independent non-executive director. Mr. Zhou resigned from his position as an independent non-executive director since he has served continuously in this role for six years;
- (iii) Zhou Guo Ping has served as an independent non-executive director of the Company since 30 December 2024, and did not receive any remuneration in 2024;
- (iv) Supervisor Zhang Yan Di did not receive any remuneration as a supervisor after being transferred to a subsidiary of MCC in May 2022, and the disclosed remuneration was zero;
- (v) Chu Zhi Qi, the employee representative supervisor, did not receive any remuneration as a person in charge after being transferred to a subsidiary of MCC in September 2023, and the disclosed remuneration was zero.

(b) Five highest paid individuals' remunerations

None of the directors and supervisors as disclosed in the note above was included in the five highest paid individuals of the Group. The five individuals whose remunerations were the highest in the Group during the year are as follows:

Items	<i>RMB'000</i>	
	2025	2024
Salaries, housing benefits, other allowances and benefits in kind	4,252	6,164
Pension scheme contributions	290	112
Discretionary bonus	5,024	5,390
Total	9,566	11,666
	Number of individuals for 2025	Number of individuals for 2024
Nil to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	–	–
HK\$1,500,001 to HK\$2,000,000	2	3
HK\$2,000,001 to HK\$2,500,000	3	2
HK\$2,500,001 to HK\$3,000,000	–	–
HK\$3,000,001 to HK\$3,500,000	–	–
Total	5	5

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

5. Details of related party transactions (Continued)

(7) Other related party transactions

RMB'000

Related parties	Details of related party transactions	2025	2024
Minmetals Finance Company ^(Note)	Interest income	50,931	39,815
Suzhou Zhongyuanrui Real Estate Development Co., Ltd.	Interest income	35,539	90,818
Tianjin MCC Mingjin Real Estate Co., Ltd.	Interest income	22,574	22,636
Yancheng Dafeng Yexin Construction Engineering Development Co., Ltd.	Interest income	19,084	–
Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	Interest income	19,007	19,023
Suining Kaihong Construction Development Co., Ltd.	Interest income	18,674	20,697
Hebei Jingcan Real Estate Co., Ltd.	Interest income	15,725	–
Others	Interest income	65,628	340,066
Total		247,162	533,055
Minmetals Finance Company ^(Note)	Interest expenses	174,014	129,560
CMGC ^(Note)	Interest expenses	39,372	–
CMC ^(Note)	Interest expenses	5,861	6,909
Minmetals International Trust Co., Ltd. ^(Note)	Interest expenses	–	40,934
Others ^(Note)	Interest expenses	–	8,210
Total		219,247	185,613

Note: These related party transactions constitute continuing connected transactions as defined in Chapter 14A of Listing Rules of the Hong Kong Stock Exchange.

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties

(1) Receivables

RMB'000

Items	Related parties	31 December 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Accounts receivable	MCC Baoding Development and Construction Co., Ltd.	1,861,987	72,007	2,574,078	61,724
Accounts receivable	Sixian Siye Construction Investment Co., Ltd.	917,611	51,341	676,335	17,877
Accounts receivable	Yunnan Mangliang Expressway Investment and Development Co., Ltd.	707,643	3,538	772,073	3,860
Accounts receivable	China ENFI Engineering Co., Ltd.	702,020	4,600	-	-
Accounts receivable	Xi'an Zhihui City Underground Comprehensive Pipe Gallery Operation and Management Co., Ltd.	596,577	20,405	266,964	3,803
Accounts receivable	MCC Beris Jiangsu Heavy Industry Corporation	565,717	565,188	566,675	566,647
Accounts receivable	Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	556,678	4,807	530,039	3,877
Accounts receivable	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	485,601	19,325	437,474	7,459
Accounts receivable	Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	484,725	6,442	563,581	5,636
Accounts receivable	Zhengzhou Huituo Urban Rural Construction Co., Ltd.	385,228	19,339	467,353	4,674
Accounts receivable	Binhai Shengxin Project Management Co., Ltd.	384,712	11,126	553,984	5,888
Accounts receivable	MCC Real Estate	357,162	1,620	-	-
Accounts receivable	Wuhu Hechuang Yonglong Real Estate Co., Ltd.	341,833	21,262	348,544	5,751
Accounts receivable	Qinghai Salt Lake Magnesium Industry Co., Ltd.	336,171	267,215	362,876	362,833
Accounts receivable	Nanjing Puou Construction and Development Co., Ltd.	330,689	13,856	254,263	5,189
Accounts receivable	Others	17,668,315	1,324,456	15,117,056	537,013
Total		26,682,669	2,406,527	23,491,295	1,592,231
Other receivables	Minmetals land	14,342,866	-	900	-
Other receivables	CMC	11,698,792	-	-	-
Other receivables	Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	1,851,809	926,809	1,878,947	859,947
Other receivables	MCC Baoding Development and Construction Co., Ltd.	516,023	2,580	520,552	2,771
Other receivables	MCC Real Estate	499,156	4,718	-	-
Other receivables	Tianjin MCC Tuanbo Urban Rural Development Co., Ltd.	492,119	2,461	555,357	2,777
Other receivables	Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	350,739	3,614	389,303	3,895
Other receivables	Hangzhou Fuyu Construction Management Co., Ltd.	323,725	5,645	314,510	5,189
Other receivables	Hebei Jingcan Real Estate Co., Ltd.	305,491	91,626	-	-
Other receivables	Nanyang Jinye Real Estate Development Co., Ltd.	303,000	32,997	-	-
Other receivables	Others	5,789,256	1,294,550	14,101,742	1,298,740
Total		36,472,976	2,365,000	17,761,311	2,173,319

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(1) Receivables (Continued)

RMB'000

Items	Related parties	31 December 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Prepayments	China ENFI Engineering Co., Ltd.	71,321	-	-	-
Prepayments	Minmetals Steel Shanghai Co., Ltd.	38,743	-	-	-
Prepayments	Shanghai Libo Construction Co., Ltd.	34,250	-	60,584	-
Prepayments	Hebei Xiong'an MCC Mingzhuo Industrial Development Co., Ltd.	20,537	-	-	-
Prepayments	23rd Metallurgical Construction Group Co., Ltd. of Minmetals	17,183	-	40,808	-
Prepayments	MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	14,570	-	17,717	-
Prepayments	Minmetals Steel Xi'an Co., Ltd.	13,823	-	16,108	-
Prepayments	Others	47,066	-	85,306	-
Total		257,493	-	220,523	-
Contract assets	Yunnan Yongmeng Expressway Construction and Development Co., Ltd.	781,719	12,586	741,698	14,018
Contract assets	Chongqing Yunkai Expressway Co., Ltd.	747,195	12,179	768,191	14,540
Contract assets	MCC Real Estate	719,850	3,349	-	-
Contract assets	Lanzhou Lianhuo Highway Qingzhong Section Construction and Development Co., Ltd.	562,604	5,679	128,619	1,286
Contract assets	Hunan Xinxin Zhangguan Expressway Construction and Development Co., Ltd.	485,826	4,815	209,171	2,995
Contract assets	MCC Baoding Development and Construction Co., Ltd.	453,115	2,778	373,875	4,409
Contract assets	Xiongan Xiongshang Real Estate Co., Ltd.	442,603	9,427	319,478	9,297
Contract assets	Shandong Expressway Jiqing Middle Line Highway Co., Ltd.	435,842	2,179	453,607	2,268
Contract assets	Others	16,850,282	453,534	11,275,319	175,697
Total		21,479,036	506,526	14,269,958	224,510

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For the year ended 31 December 2025

XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(1) Receivables (Continued)

RMB'000

Items	Related parties	31 December 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables	Guizhou Xinye Infrastructure Investment Co., Ltd.	725,890	15,099	704,895	11,631
Long-term receivables	Suining Kaihong Construction Development Co., Ltd.	390,661	1,953	391,196	1,956
Long-term receivables	Anyang Hechuang Yongrui Asset Operation Co., Ltd.	382,976	7,966	-	-
Long-term receivables	Sichuan Baojiang Data Industrial Park Development and Construction Co., Ltd.	269,964	5,615	260,534	4,299
Long-term receivables	Xuzhou Guoye Transportation Investment Co., Ltd.	258,846	7,765	-	-
Long-term receivables	Shuicheng County Blue Ocean Huaxing Education Investment and Construction Co., Ltd.	240,907	2,409	248,157	14,889
Long-term receivables	Weihai Zhiye Health Care Construction Project Management Co., Ltd.	198,876	-	240,944	-
Long-term receivables	Wuhan Huangwu Expressway Construction Management Co., Ltd.	191,872	959	161,872	-
Long-term receivables	Others	826,477	10,634	907,309	24,157
Total		3,486,469	52,400	2,914,907	56,932

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables

RMB'000

Items	Related parties	31 December 2025	31 December 2024
Notes payable	Minmetals Steel (Wuhan) Limited Company	427,511	498,513
Notes payable	Minmetals Steel Shanghai Co., Ltd.	207,883	268,505
Notes payable	Shanghai Ruiyuan Urban Construction Development Co., Ltd.	58,197	280,069
Notes payable	Minmetals Steel Chengdu Co., Ltd.	34,143	6,878
Notes payable	Minmetals Steel Tianjin Co., Ltd.	19,852	15,540
Notes payable	Others	67,065	376,162
Total		814,651	1,445,667
Accounts payable	Longteng Yunchuang Industrial Internet (Beijing) Co., Ltd.	2,758,898	508,273
Accounts payable	Shanghai Bowa Construction Engineering Co., Ltd.	831,979	829,693
Accounts payable	Xinye Jiaotou Shancheng (Chengdu) Construction Technology Co., Ltd.	422,920	266,578
Accounts payable	Shanghai Libo Construction Co., Ltd.	333,841	16,784
Accounts payable	Minmetals Steel Chengdu Co., Ltd.	294,329	276,776
Accounts payable	MCC Real Estate	249,509	–
Accounts payable	Minmetals Steel Tianjin Co., Ltd.	205,485	238,230
Accounts payable	Hebei Jingtang Industrial Technology Co., Ltd.	168,985	153,227
Accounts payable	Shanghai Libo Jiacheng Construction Co., Ltd.	163,519	55,363
Accounts payable	Minmetals Steel Beijing Co., Ltd.	150,764	64,829
Accounts payable	Minmetals Steel Lanzhou Co., Ltd.	111,975	103,711
Accounts payable	Others	1,246,046	785,352
Total		6,938,250	3,298,816
Other payables	MCC Real Estate	1,454,568	–
Other payables	CMC	846,520	41,330
Other payables	Ezhou Xinsheng Construction Engineering Co., Ltd.	343,782	390,782
Other payables	Hangzhou Fuchun Bay Baofu Construction Management Co., Ltd.	300,059	–
Other payables	Bengbu Jin'an Real Estate Co., Ltd.	294,981	159,360
Other payables	Honghe Luqiu Expressway Investment and Development Co., Ltd.	254,000	257,237
Other payables	Puyang Guoye Urban Development Construction Co., Ltd.	234,000	242,000
Other payables	Ma'anshan Jin'an Borui Real Estate Co., Ltd.	196,963	196,963

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables (Continued)

RMB'000

Items	Related parties	31 December 2025	31 December 2024
Other payables	Dancheng Zhongyi Ecological Environment Management Co., Ltd.	150,000	150,000
Other payables	MCC Real Estate Group Baotou Mingyang Real Estate Development Co., Ltd.	134,299	–
Other payables	Wuhan Lvyan Construction Engineering Co., Ltd.	127,000	127,000
Other payables	Nanjing Zhongkang Construction and Development Co., Ltd.	107,208	107,208
Other payables	Nanjing MCC Minghan Real Estate Co., Ltd.	98,639	–
Other payables	Lankao Zhongpu Investment Management Co., Ltd.	97,500	97,500
Other payables	Others	2,435,626	4,259,806
Total		7,075,145	6,029,186
Contract liabilities	Yunnan Luqiu Guangfu Expressway Investment Development Co., Ltd.	588,339	312,713
Contract liabilities	Sichuan Baojiang Data Industrial Park Development and Construction Co., Ltd.	308,637	–
Contract liabilities	Tianjin Shenghe Real Estate Co., Ltd.	232,104	–
Contract liabilities	Shanghai Libo Urban Construction and Development Co., Ltd.	153,720	–
Contract liabilities	Shanghai Baoyang Maoye Construction and Development Co., Ltd.	126,942	–
Contract liabilities	Guangzhou Keling Investment and Development Co., Ltd.	114,626	–
Contract liabilities	Minhou Baoxin Construction Co., Ltd.	101,701	–
Contract liabilities	Lanzhou Zhenghao Pipe Corridor Project Management Co., Ltd.	98,060	98,060
Contract liabilities	Hunan Shizhuyuan Nonferrous Metals Co., Ltd.	72,166	13,907
Contract liabilities	Chongqing Chengyu Dianfengwu Expressway Co., Ltd.	64,459	–
Contract liabilities	CMC	61,546	51,281
Contract liabilities	Inner Mongolia Tongye Construction Project Management Co., Ltd.	60,000	60,000
Contract liabilities	Others	1,067,971	518,303
Total		3,050,271	1,054,264

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Payables (Continued)

RMB'000

Items	Related parties	31 December 2025	31 December 2024
Non-current liabilities due within one year	CMGC	29,847	457,242
Non-current liabilities due within one year	Sichuan Tianfu New Area Zhongheng Hengde Real Estate Co., Ltd.	11,421	–
Non-current liabilities due within one year	Beijing Dongxing Metallurgical New Technology Development Co., Ltd.	7,464	–
Non-current liabilities due within one year	China Nonferrous Engineering	5,113	–
Non-current liabilities due within one year	MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	3,286	–
Non-current liabilities due within one year	Shigang Jingcheng Equipment Development and Manufacturing Co., Ltd.	1,354	–
Non-current liabilities due within one year	China National Foreign Trade Financial & Leasing Co., Ltd.	181	8,617
Non-current liabilities due within one year	China Minmetals Corporation Limited	–	6
Total		58,666	465,865
Long-term borrowings	Minmetals Finance Company	550,000	–
Long-term borrowings	CMGC	444,550	10,000
Long-term borrowings	China Minmetals Corporation Limited	–	15,000
Total		994,550	25,000
Long-term payables	China Minmetals Corporation Limited	69,174	51,964
Long-term payables	Jianhe Innovation Technology (Hainan) Co., Ltd.	12,000	9,000
Long-term payables	MCC Jingcheng (Xiangtan) Heavy Industrial Equipment Co., Ltd.	6,573	–
Long-term payables	Shi Gang Jing Cheng Equipment Development and Manufacturing Co., Ltd.	2,708	–
Long-term payables	Shanghai Libo Urban Construction and Development Co., Ltd.	2,060	–
Long-term payables	China National Foreign Trade Financial & Leasing Co., Ltd.	–	62,549
Total		92,515	123,513

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XIII. RELATED PARTIES AND TRANSACTIONS (CONTINUED)

7. Cash and bank balances in related parties

RMB'000

Related party	31 December 2025	31 December 2024
Minmetals Finance Company	12,745,659	8,337,128
Total	12,745,659	8,337,128

Note: As at 31 December 2025, the annual interest rate of the above deposits was 0.35% to 1.15% (31 December 2024: 0.35% to 1.15%)

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital expenditure commitments

As at the balance sheet date, the Group had capital expenditure commitments contracted but not recognised in the balance sheet as follows:

RMB'000

Items	31 December 2025	31 December 2024
Buildings, structures and equipment	13,928	23,323,989
Intangible assets	–	13,575,106
Total	13,928	36,899,095

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XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies

(1) Significant contingencies at the balance sheet date

(a) Pending litigation or arbitration

As at 31 December 2025, objects of pending litigation or arbitration in which the Group acted as defendant amounted to RMB8,453,467,000 (as at 31 December 2024: RMB6,714,398,000).

The Group has been involved in a number of lawsuits and other legal proceedings arising in the ordinary course of business. Provisions will be made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits based on management's judgments and legal advice. No provisions will be made for the above pending lawsuits if management determines the outflow of resources is not probable. As at 31 December 2025, management has made provisions for pending lawsuits of RMB246,085,000, details of which are set out in Note VII, 41.

(b) Financial guarantees given to banks

(i) Mortgage guarantees

RMB'000

Guarantor	31 December 2025
Mortgage guarantees	146,649

The Group's subsidiaries in property development sector would provide mortgage guarantees to the property purchasers as it is a common practice in property development industry. Under such arrangements, the period of the guarantees is from the date of the contracts being signed to the date of the legal title of the properties finally being transferred to the purchasers and the certificates could be used as collaterals. The Group considers that the risk related to such guarantees is minor.

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XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1) Significant contingencies at the balance sheet date (Continued)

(b) Financial guarantees given to banks (Continued)

(ii) Loan guarantees

RMB'000

Guarantor	Guarantee	31 December 2025
China MCC20 Group Co., Ltd. ^(Note 1)	Zhuhai Hengqin Headquarters Building Development Co., Ltd.	302,674
Metallurgical Corporation of China Ltd. ^(Note 2)	Zhongshun Jinda.	350,000

Note 1: In 2019, Zhuhai Hengqin Headquarters Building Development Co., Ltd. was a subsidiary of the Group within the scope of consolidation. In 2020, other shareholders of Zhuhai Hengqin Headquarters Building Development Co., Ltd. revoked their concerted action agreement with the Group, and the Group lost control of it. Zhuhai Hengqin Headquarters Building Development Co., Ltd. became a joint venture of the Group. China MCC20 Group Co., Ltd. provided a guarantee for the loan of Zhuhai Hengqin Headquarters Building Development Co., Ltd. The actual guarantee amount was RMB 302,674,000 and the maximum guaranteed amount was RMB 520,000,000, and the guarantee period was from 4 September 2019 to 5 September 2027. Zhuhai Hengqin Headquarters Building Development Co., Ltd. is in good financial condition, and the management expects that there is no major debt default risk.

Note 2: As described in Note XIII.5 (3) (a), the Company provided a joint and several liability guarantee for the trust loan obtained by Zhongshun Jinda, a subsidiary of MCC Real Estate. In respect of the aforesaid guarantee, the Company entered into a counter-guarantee agreement with CMC in December 2025, under which CMC provided a counter-guarantee for the said guarantee. Management is of the opinion that no significant risk of debt default exists in relation to this matter.

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For the year ended 31 December 2025

XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1) Significant contingencies at the balance sheet date (Continued)

(c) Others

(i) Sino Iron Project

In 2012, due to extreme adverse weather condition, including typhoon, the progress of the Sino Iron Project was behind the original planned schedule giving rise to the substantial project cost overrun. The management is of the view that the Group has implemented appropriate procedures to control project costs, shorten project delay and minimise the loss resulted from the project schedule delay. In respect of the compensation clause set out in the construction contract entered into between the Group and the customer regarding the loss to customer resulted from the project delay due to the contractor own reason, the Group had sufficient communication with CITIC Group who is the customer of the Sino Iron Project. Both the Group and CITIC Group believe that the project delay was due to various reasons. A consensus has been reached between the Group and CITIC Group that the second main process production line of the Sino Iron Project should be completed and available for trial run by 15 April 2013. Due to the technical issue of cyclo electric motors, the trial run of the second main process production line of the Sino Iron Project was further delayed. The cyclo electric motors were purchased by a subsidiary of CITIC Group from an overseas supplier. The Group is of the view that the Group has appropriately performed its duty and fulfilled its responsibility in constructing the second main process production line according to the consensus reached with CITIC Group. The reason for the delay in trial run of the second main process production line of the Sino Iron Project was principally due to quality issue of cyclo electronic motors which were not purchased by the Group.

As of the date of approving these financial statements, the customer has not lodged any compensation claims against the Group in respect of the project delay. The Group has already taken measures in shortening the project delay and had sufficient communication with the customer of this project. The Group is of the view that the risk of being claimed by the customer of this project is remote. Therefore, no provisions shall be required.

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For the year ended 31 December 2025

XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1) Significant contingencies at the balance sheet date (Continued)

(c) Others (Continued)

(ii) Litigation Matters of Guangxi Iron and Steel

In 2018, the subsidiary CISDI Engineering Co., Ltd. (hereinafter referred to as "CISDI") signed the "General Contract for the Blast Furnace Body and Auxiliary Facilities Project of Fangchenggang Iron and Steel Base" with Guangxi Iron and Steel Group Co., Ltd. (hereinafter referred to as "Guangxi Iron and Steel"), and the project has been put into operation on schedule. In 2022, there was an engineering quality dispute. As it was still within the warranty period of CISDI, Guangxi Iron and Steel officially sued CISDI in October 2023. At the end of July 2024, Guangxi Iron and Steel changed its lawsuit request, adjusting the repair cost from RMB212,465,000 to RMB208,812,000 and the production compensation loss from RMB10,000 to RMB1,144,683,000.

On 23-24 January 2025 and 24 June 2025, the lawsuit was first and second heard in the Intermediate People's Court of Fangchenggang City, Guangxi Zhuang Autonomous Region. Due to the professional technical issues involved in this case, a third-party appraisal of the accident is required as the basis for clarifying the causes and responsibilities of both parties. In December 2025, the court approved the engagement of institutions to conduct quality appraisal and production operation appraisal, and relevant procedures are ongoing. Given that no material progress has been made in the appraisal, so the possible outcome of this case cannot be determined at this time. The Group believes that the possibility of losing the lawsuit is extremely low, and therefore, determines that no provisions shall be required.

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XV. EVENTS AFTER THE BALANCE SHEET DATE

1. Repurchase of the Company's A Shares and H Shares

On 16 January 2026, the Company convened its First Extraordinary General Meeting of Shareholders in 2026 and approved resolutions on the proposal for repurchasing its A shares and authorising the repurchase of its H shares, agreeing to use its own funds to repurchase a portion of issued A Shares and H shares via centralised bidding transactions, with the A-share repurchase amount set at not less than RMB1 billion (inclusive) and not exceeding RMB2 billion (inclusive), at a maximum price of RMB4.90 per share, with all repurchased A shares to be cancelled and resulting in a reduction of the Company's share capital within 12 months from the date of approval, while the H-share repurchase authorisation limits the quantity to no more than 10% of the total issued H shares as of the approval date by the relevant General Meeting and the repurchase amount to no more than RMB500 million.

As of the date of approval of this financial report, the progress of the Company's repurchase of A shares and H shares is as follows:

The Company has cumulatively repurchased 50,277,526 A shares, representing 0.2426% of the Company's total share capital, at a maximum transaction price of RMB3.25 per share and a minimum price of RMB3.01 per share, with an aggregate transaction amount of RMB159,525,000 (excluding transaction fees).

The Company has cumulatively repurchased 19,637,000 H shares, representing 0.0948% of the Company's total share capital, at a maximum transaction price of HKD1.94 per share and a minimum price of HKD1.84 per share, with an aggregate transaction amount of HKD36,718,000 (excluding transaction fees).

2. Progress on the disposal of assets and connected transactions

As described in Note VIII 2, in 2025, the Company transferred 100% equity interest and related creditor's right in MCC Real Estate, 100% equity interest in China Nonferrous Engineering, MCC Tongsin, Ramu Management, as well as 67.02% equity interest in MCC-JJJ, to Minmetals land and CMC, and consequently lost control over the aforementioned companies; these companies would no longer be included in the scope of the Group's consolidated financial statements as at 31 December 2025. Pursuant to the relevant provisions of the equity transfer agreements, the profits or losses of the aforementioned companies during the transition period from the valuation base date of 31 July 2025 to 31 December 2025 shall be recognised by or borne by the Company. The Company has engaged BDO China Shu Lun Pan Certified Public Accountants LLP and Pan-China Certified Public Accounts LLP to conduct a special purpose audit on the profit or loss of the aforementioned companies during the transition period. As of the date of approving the financial statements, the special purpose auditor's report on the profit or loss of the aforementioned companies during the transition period has been formally issued, and the audit result for the transitional period reveals a loss of RMB649,917,000 in total. As of the date of approving the financial statements, all disposal proceeds relating to the transfer of equity interests and creditor's right in the aforementioned companies have been fully recovered.

3. Profit distribution

In accordance with the resolution of the 83rd Meeting of the Third Session of the Company's Board of Directors, as of 31 December 2025, the accumulated undistributed profits in the Group's consolidated financial statements were positive, the Company's retained profits as at the end of 2025 shall be negative. As stipulated in the Company Law and the Company's articles of association, the Company proposes not to distribute any profits for the year. It is also proposed that the shareholders' general meeting authorize the board of directors to formulate and implement a specific 2026 interim dividend plan if relevant conditions are satisfied. The aforementioned dividend distribution plan is subject to the approval of the Shareholders' Meeting.

XVI. OTHER SIGNIFICANT EVENTS

1. Segment information

(1) *Determination basis and accounting policies of reporting segments*

The Group determines operating segments based on internal organisation structure, management requirements and internal reporting systems, and determines reporting segments and discloses segment information on the basis of operating segments.

Operating segment is a component of the Group which satisfies all of the following conditions:

- (a) The component is able to generate income, expenses in daily activities;
- (b) The Group's management evaluates the operating results of that segment regularly, determines the allocation of resources, and evaluates its performance;
- (c) The Group can obtain the financial position, operating results, cash flows and other relevant accounting information of the segment. If two or more operating segments have similar economic characteristics and meet certain conditions, they could be combined into a single operating segment.

In 2025, the Group implemented operational strategy adjustments to optimise its business structure and focus on core operations. To provide more relevant accounting information in the financial statements that reflects the Group's current principal business activities, the Group has reclassified its continuing operations into three segments: engineering contracting, featured business, and other businesses. Additionally, comparative figures for 2024 have been restated accordingly. For details on discontinued operations, refer to Note VIII, 2 and Note XVI, 3.

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

Inter-segment transfers are measured on the basis of actual transaction prices. Segment revenue and segment expenses are determined on the basis of actual revenue and expenses of each segment. Segment assets and liabilities are allocated according to the attributable assets employed by a segment in its operating activities and the attributable liabilities resulting from the operating activities of a segment.

FINANCIAL STATEMENTS

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XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (Continued)

(2) Financial information of reporting segments

(a) Segment information for the year ended 31 December 2025 and as at 31 December 2025

RMB'000

Items	Continuing operations				Elimination between segments	Total
	Engineering contracting	Featured business	Unallocated amounts	Discontinued operations		
Operating income	407,981,532	32,735,196	-	20,618,810	(5,955,118)	455,380,420
Including: Revenue from external customers	405,364,066	29,397,544	-	20,618,810	-	455,380,420
Revenue between segments	2,617,466	3,337,652	-	-	(5,955,118)	-
Impairment losses of credit	(4,372,082)	(234,385)	-	(3,607,966)	-	(8,214,433)
Impairment losses of assets	(921,254)	(237,701)	-	(18,280,143)	-	(19,439,098)
Depreciation and amortisation expenses	2,650,421	1,026,822	-	1,109,353	-	4,786,596
Total profit/(loss)	8,685,042	2,098,687	(353,339)	(4,848,197)	(572,899)	5,009,294
Net profit/(loss)	6,952,533	1,685,636	(353,339)	(5,189,903)	(572,899)	2,522,028
Assets	791,627,829	47,704,292	8,985,407	-	(8,828,846)	839,488,682
Liabilities	629,243,701	35,250,220	120,036	-	(8,684,713)	655,929,244

(b) Segment information for the year ended 31 December 2024 and as at 31 December 2024

RMB'000

Items	Continuing operations				Elimination between segments	Total
	Engineering contracting	Featured business	Unallocated amounts	Discontinued operations		
Operating income	505,703,305	31,891,559	-	21,493,398	(7,063,624)	552,024,638
Including: Revenue from external customers	501,672,603	28,858,637	-	21,493,398	-	552,024,638
Revenue between segments	4,030,702	3,032,922	-	-	(7,063,624)	-
Impairment losses of credit	(6,794,145)	(209,794)	-	(189,586)	-	(7,193,525)
Impairment losses of assets	(1,215,698)	(46,467)	-	(1,278,689)	-	(2,540,854)
Depreciation and amortisation expenses	2,433,318	994,475	-	1,061,339	-	4,489,132
Total profit/(loss)	10,378,412	1,888,893	(365,651)	(2,698,380)	51,264	9,254,538
Net profit/(loss)	9,358,707	1,552,826	(365,651)	(2,692,814)	51,264	7,904,332
Assets	713,472,922	48,187,921	5,204,458	110,365,371	(69,214,917)	808,015,755
Liabilities	567,675,891	36,678,692	534,295	88,543,936	(67,752,925)	625,679,889

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XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (Continued)

(3) Other explanations

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

RMB'000

Items	2025	2024
Revenue from external customers in China	423,833,103	523,889,122
Revenue from external customers in other countries/(regions)	31,547,317	28,135,516
Total	455,380,420	552,024,638

RMB'000

Items	31 December 2025	31 December 2024
Non-current assets in China	129,403,118	126,217,038
Non-current assets in other countries/(regions)	3,612,295	12,101,837
Total	133,015,413	138,318,875

Note: The above non-current assets do not include deferred tax assets and financial assets.

- (b) Dependence on major customers

No revenue was generated from sales to a single customer which amounted to 10% or more than 10% of the Group's revenue.

2. Net current assets and total assets less current liabilities

(1) Net current assets

RMB'000

Items	31 December 2025	31 December 2024
Current assets	639,634,797	599,767,170
Less: Current liabilities	606,414,578	573,629,900
Net current assets	33,220,219	26,137,270

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XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Net current assets and total assets less current liabilities (Continued)

(2) Total assets less current liabilities

RMB'000

Items	31 December 2025	31 December 2024
Total assets	839,488,682	808,015,755
Less: Current liabilities	606,414,578	573,629,900
Total assets less current liabilities	233,074,104	234,385,855

3. Discontinued operations

As described in Note VIII, 2, in the year, the Company transferred 100% equity interest in MCC Real Estate, China Nonferrous Engineering, MCC Tongsin, Ramu Management, as well as 67.02% equity interest in MCC-JJJ, to Minmetals land and CMC, and consequently lost control over the aforementioned companies. The aforementioned businesses either represent an independent principal operation of the Group or form part of an interconnected plan to dispose of a separate principal operation, thereby qualifying as discontinued operations.

2025

RMB'000

Items	Operating income	Operating costs and expenses	Total profit/(loss)	Income tax expenses	Net profit/(loss)	Profit from discontinued operations attributable to owners of the Company
China Nonferrous						
Engineering	8,873,995	8,543,965	244,623	100,041	144,582	144,582
MCC Real Estate	5,620,855	8,954,484	(25,147,921)	170,667	(25,318,588)	(25,318,588)
MCC Tongsin	2,806,050	2,445,556	370,490	65,970	304,520	304,520
MCC-JJJ	3,317,910	2,736,481	504,343	5,028	499,315	334,641
Ramu Management	-	-	-	-	-	-
Total	20,618,810	22,680,486	(24,028,465)	341,706	(24,370,171)	(24,534,845)

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XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

3. Discontinued operations (Continued)

(1) Profit or loss from discontinued operations

The Group has presented the aforementioned companies as discontinued operations in the consolidated income statement and restated the comparative figures accordingly. The profit or loss from discontinued operations of these companies is as follows:

	<i>RMB'000</i>	
	2025	2024
Operating income	20,618,810	21,493,398
Operating costs and expenses	22,680,486	23,126,445
Total loss	(24,028,465)	(2,698,380)
Less: Income tax expenses	341,706	(5,566)
Net loss	(24,370,171)	(2,692,814)
Adjustment to gains on disposal	19,180,268	–
Net loss from discontinued operations	(5,189,903)	(2,692,814)

(2) Impairment losses on discontinued operations

	<i>RMB'000</i>	
	2025	2024
Impairment losses of assets recognised in the year	(18,280,143)	(1,278,689)
Impairment losses of credit recognised in the year	(3,607,966)	(189,586)

(3) Net cash flow from discontinued operations

	<i>RMB'000</i>	
	2025	2024
Net cash flow from operating activities	2,696,244	4,000,409
Net cash flow from investing activities	2,235,499	(2,017,902)
Net cash flow from financing activities	(2,972,556)	(1,936,002)
Net cash flow	1,959,187	46,505

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XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

3. Discontinued operations (Continued)

(4) Profit or loss from continuing operations and discontinued operations attributable to the shareholders of the Company

RMB'000

	2025	2024
Net profit from continuing operations attributable to the shareholders of the Company	6,676,345	9,585,806
Net loss from discontinued operations attributable to the shareholders of the Company	(5,354,577)	(2,839,852)
Net profit attributable to the shareholders of the Company	1,321,768	6,745,954

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Aging analysis

RMB'000

Aging	31 December 2025	31 December 2024
Within 1 year	7,425	160,614
1 to 2 years	146,051	240,328
2 to 3 years	22,156	52,803
3 to 4 years	52,803	98,794
4 to 5 years	94,786	308
Over 5 years	25,092	25,092
Total gross carrying amount	348,313	577,939
Less: Credit loss allowance	31,883	39,082
Carrying amount	316,430	538,857

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

(2) Changes in credit loss allowance of accounts receivable

RMB'000

Item	31 December 2024	Provision	Reversal	31 December 2025
Credit loss allowance	39,082	3,428	(10,627)	31,883

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XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(3) The five largest accounts receivable, contract assets and other non-current assets collected by arrears at 31 December 2025:

RMB'000

Name of entity	Balance of accounts receivable as at 31 December 2025	Balance of contract assets as at 31 December 2025	Balance of other non-current assets as at 31 December 2025	Total balance of accounts receivable, contract assets and other non-current assets as at 31 December 2025	As a percentage of total closing balance of accounts receivable, contract assets and other non-current assets (%)	Total balance of credit loss allowance of accounts receivable, provision for impairment of contract assets and other non-current assets as at 31 December 2025
Party 1	143,210	-	326,324	469,534	20.55	12,427
Party 2	133,043	317,051	-	450,094	19.70	-
Party 3	39,543	314,777	-	354,320	15.51	-
Party 4	-	298,830	-	298,830	13.08	-
Party 5	-	-	195,558	195,558	8.56	4,263
Total	315,796	930,658	521,882	1,768,336	77.40	16,690

2. Other receivables

(1) Classification of other receivables

RMB'000

Items	31 December 2025	31 December 2024
Interest receivable	2,439,077	9,720,279
Dividends receivable	2,163,727	4,525,042
Other receivables	58,181,524	58,091,831
Total	62,784,328	72,337,152

(2) Interest receivable

RMB'000

Items	31 December 2025	31 December 2024
Subsidiaries of the Company	3,134,844	10,416,046
Less: Credit loss allowance	695,767	695,767
Total	2,439,077	9,720,279

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(3) Dividends receivable

RMB'000

Items	31 December 2025	31 December 2024
Subsidiaries of the Company	2,163,727	4,525,042
Total	2,163,727	4,525,042

As at 31 December 2025, the closing balance of dividends receivable aged more than one year was RMB2,014,224,000 (as at 31 December 2024: RMB3,641,979,000).

(4) Other receivables

(a) Aging analysis

RMB'000

Aging	31 December 2025	31 December 2024
Within 1 year	43,313,623	10,694,422
1 to 2 years	3,598,830	2,857,244
2 to 3 years	761,040	3,384,280
3 to 4 years	3,136,505	11,695,285
4 to 5 years	125,105	2,262,833
Over 5 years	13,750,189	33,698,162
Total gross carrying amount	64,685,292	64,592,226
Less: Credit loss allowance	6,503,768	6,500,395
Carrying amount	58,181,524	58,091,831

(b) Other receivables classified by nature

RMB'000

Nature of other receivables	31 December 2025	31 December 2024
Subsidiaries of the Company	38,491,699	64,386,944
Equity transfer payment to be recovered	26,041,658	-
Deposits and guarantees	73,167	94,077
Others	78,768	111,205
Total	64,685,292	64,592,226

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

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

31 December 2025

RMB'000

Category	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Other receivables for which credit loss allowance is individually assessed	64,651,345	99.95	6,470,456	10.01	58,180,889
Other receivables for which credit loss allowance is collectively assessed based on credit risk characteristics	33,947	0.05	33,312	98.13	635
Total	64,685,292	100.00	6,503,768	10.05	58,181,524

31 December 2024

RMB'000

Category	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Other receivables for which credit loss allowance is individually assessed	64,555,137	99.94	6,467,087	10.02	58,088,050
Other receivables for which credit loss allowance is collectively assessed based on credit risk characteristics	37,089	0.06	33,308	89.81	3,781
Total	64,592,226	100.00	6,500,395	10.06	58,091,831

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

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

Other receivables for which credit loss allowance is individually assessed:

RMB'000

Name of entity	31 December 2025		Proportion of provision (%)	Reasons
	Gross carrying amount	Credit loss allowance		
Minmetals land	14,342,866	-	/	The Company considered the reasonable and supported information related to other party (including forward-looking information), then evaluated the expected credit losses and made allowance for credit losses.
CMC	11,698,792	-	/	
Western Australia	6,815,560	3,719,055	54.57	
China MCC3 Group Co., Ltd.	6,574,734	-	/	
China MCC22 Group Co., Ltd.	3,452,961	-	/	
Others	21,766,432	2,751,401	12.64	
Total	64,651,345	6,470,456	10.01	/

(d) Changes in credit loss allowance of other receivables

2025

RMB'000

Items	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL (not credit-impaired)	Life-time ECL (credit-impaired)	
Credit loss allowance at 31 December 2024	2	-	6,500,393	6,500,395
Provision	-	3	3,370	3,373
Credit loss allowance at 31 December 2025	2	3	6,503,763	6,503,768

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(4) Other receivables (Continued)

- (e) As at 31 December 2025, the top five of other receivables categorised by debtor at the end of the year are as follows:

RMB'000

Name of entity	Relationship with the Company	Nature of the amount	Aging	Gross carrying amount at 31 December 2025	Credit loss allowance at 31 December 2025	As a percentage of total other receivables (%)
Minmetals land	Subsidiaries controlled by the controlling shareholder	Amounts receivable from equity transfer	Within 1 year	14,342,866	-	22.17
CMC	Controlling shareholder	Amounts receivable from equity transfer	Within 1 year	11,698,792	-	18.09
Western Australia	Subsidiary	Advances/ internal loans	Within 1 year, 2 to 3 years, 3 to 4 years, over 5 years	6,815,560	3,719,055	10.54
China MCC3 Group Co., Ltd.	Subsidiary	Advances/ internal loans	Within 1 year, 1 to 5 years, over 5 years	6,574,734	-	10.16
China MCC22 Group Co., Ltd.	Subsidiary	Advances/ internal loans	Within 1 year, 1 to 4 years, over 5 years	3,452,961	-	5.34
Total	/	/	/	42,884,913	3,719,055	66.30

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term receivables

(1) Classification of long-term receivables

RMB'000

Items	31 December 2025	31 December 2024
Subsidiaries of the Company	257,341	405,201
Others	2,037	2,037
Total gross carrying amount	259,378	407,238
Less: Credit loss allowance of long-term receivables	138,660	138,660
Total net book value	120,718	268,578
Less: Long-term receivables due within one year, net	-	10
Long term receivables due after one year, net	120,718	268,568

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

For the year ended 31 December 2025, changes in credit loss allowance of long-term receivables based on 12-month ECL and lifetime ECL are as follows:

RMB'000

Item	Stage 1 12-month ECL	Stage 2 Life-time ECL (not credit- impaired)	Stage 3 Life-time ECL (credit- impaired)	Total
Credit loss allowance at 31 December 2024 and 31 December 2025	-	-	138,660	138,660

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments

RMB'000

Items	31 December 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Investments in subsidiaries	77,814,133	923,201	76,890,932	99,961,142	923,201	99,037,941
Investments in joint ventures and associates	1,242,695	113,146	1,129,549	495,320	113,146	382,174
Total	79,056,828	1,036,347	78,020,481	100,456,462	1,036,347	99,420,115

(1) Investments in subsidiaries

RMB'000

Investees	Gross carrying amount at 31 December 2024		Increase	Decrease	Gross carrying amount at 31 December 2025	Impairment provision at 31 December 2025	Carrying amount at 31 December 2025	Cash dividend declared
MCC Communication Construction Group Co., Ltd.	9,148,023	-	-	-	9,148,023	-	9,148,023	-
MCC Capital Engineering & Research Incorporation Limited	7,175,684	-	-	-	7,175,684	-	7,175,684	165,247
Shanghai Baoye Group Co., Ltd.	6,710,953	-	-	-	6,710,953	-	6,710,953	431,941
WISDRI Engineering & Research Incorporation Limited	5,453,492	-	-	-	5,453,492	-	5,453,492	161,565
China MCC5 Group Corp. Ltd. (a)	5,022,567	100,000	-	-	5,122,567	-	5,122,567	761,030
CISDI Group Co., Ltd.	4,368,886	-	-	-	4,368,886	-	4,368,886	173,529
China MCC22 Group Co., Ltd.	3,487,199	-	-	-	3,487,199	-	3,487,199	223,430
China MCC19 Group Co., Ltd.	3,476,455	-	-	-	3,476,455	-	3,476,455	171,724
Central Research Institute of Building and Construction Co., Ltd., MCC Group	3,059,049	-	-	-	3,059,049	-	3,059,049	89,644
China Huaye	2,412,037	-	-	-	2,412,037	-	2,412,037	95,935
MCC TianGong Group Corporation Limited	2,261,984	-	-	-	2,261,984	-	2,261,984	190,249
Huatian Engineering & Technology Corporation, MCC	2,156,648	-	-	-	2,156,648	-	2,156,648	25,051
China Metallurgical Construction Engineering Group Co., Ltd.	2,085,910	-	-	-	2,085,910	-	2,085,910	179,862
China First Metallurgical Group Co., Ltd.	2,045,090	-	-	-	2,045,090	-	2,045,090	348,675
ACRE Coking & Refractory Engineering Consulting Corporation, MCC	1,898,546	-	-	-	1,898,546	-	1,898,546	48,192
China MCC17 Group Co., Ltd.	1,755,361	-	-	-	1,755,361	-	1,755,361	-
China MCC20 Group Co., Ltd.	1,680,279	-	-	-	1,680,279	-	1,680,279	-

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(1) Investments in subsidiaries (Continued)

RMB'000

Investees	Gross carrying amount at	Increase	Decrease	Gross carrying amount at	Impairment provision at	Carrying amount at	Cash dividend declared
	31 December 2024			31 December 2025	31 December 2025	31 December 2025	
China Second Metallurgical Group Co., Ltd.	1,540,924	-	-	1,540,924	-	1,540,924	116,540
China MCC3 Group Co., Ltd.	1,600,096	-	-	1,600,096	140,096	1,460,000	-
MCC Baosteel Technology Services Co., Ltd.	1,091,924	-	-	1,091,924	-	1,091,924	154,282
MCC-SFRE Heavy Industry Equipment Co., Ltd.	1,110,635	-	-	1,110,635	63,035	1,047,600	-
WSGRI Engineering & Surveying Incorporation Limited	823,777	200,000	-	1,023,777	-	1,023,777	268,570
Zhongye Changtian International Engineering Co., Ltd.	991,130	-	-	991,130	-	991,130	70,498
MCC Great Wall Investment Co., Ltd.	658,000	176,012	-	834,012	-	834,012	-
Northern Engineering & Technology Corporation, MCC	826,271	-	-	826,271	-	826,271	-
Beijing Metallurgical Equipment Research Design Institute Co., Ltd.	789,593	-	-	789,593	-	789,593	-
MCC Ecological Environmental Protection Group Co., Ltd.	750,000	-	-	750,000	-	750,000	27,673
MCC Road & Bridge Construction Co., Ltd.	686,887	-	-	686,887	-	686,887	9,052
MCC (Shanghai) Steel Structure Technology Corp., Ltd.	420,991	-	-	420,991	-	420,991	21,494
China 13th Metallurgical Construction Corporation	372,399	-	-	372,399	-	372,399	-
Shen Kan Engineering & Technology Corporation, MCC	344,972	-	-	344,972	-	344,972	-
MCC Urban Investment Holding Co., Ltd.	150,000	-	-	150,000	-	150,000	-
MCC International Incorporation Ltd.	110,804	-	-	110,804	-	110,804	-
MCC South China Construction Investment Co., Ltd.	51,000	-	-	51,000	-	51,000	-
MCC Integrated Pipe Network Technology & Development Co., Ltd.	50,000	-	-	50,000	-	50,000	-
China Metallurgical (Hainan) Investment Development Co., Ltd.	24,000	-	-	24,000	-	24,000	-
MCC Zhongyuan Construction Investment Co., Ltd.	20,000	-	-	20,000	-	20,000	-
MCC Holding (Hong Kong) Corporation Limited	6,485	-	-	6,485	-	6,485	-
MCC Overseas Ltd.	475,644	-	-	475,644	475,644	-	-
Western Australia	126,807	-	-	126,807	126,807	-	-

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(1) Investments in subsidiaries (Continued)

RMB'000

Investees	Gross carrying amount at	Increase	Decrease	Gross carrying amount at	Impairment provision at	Carrying amount at	Cash dividend declared
	31 December 2024			31 December 2025	31 December 2025	31 December 2025	
China MCC International Economic and Trade Co., Ltd.	69,392	-	-	69,392	69,392	-	-
MCC Australia Holding Pty Ltd.	48,227	-	-	48,227	48,227	-	-
MCC International Investment Development Co., Ltd. (c)	600,000	-	600,000	-	-	-	-
MCC (Guizhou) Construction Investment Development Co., Ltd. (a)	100,000	-	100,000	-	-	-	-
MCC Real Estate (b)	10,814,517	-	10,814,517	-	-	-	-
China Nonferrous Engineering(b)	4,357,614	-	4,357,614	-	-	-	-
MCC Copper & Zinc (b)	3,901,082	315,939	4,217,021	-	-	-	-
MCC-JJJ (b)	2,849,805	-	2,849,805	-	-	-	-
Ramu Management (b)	3	-	3	-	-	-	-
Total	99,961,142	791,951	22,938,960	77,814,133	923,201	76,890,932	3,734,183

- (a) In 2025, the Company utilised its equity interest in the subsidiary MCC (Guizhou) Construction Investment Development Co., Ltd. as capital contribution to increase the registered capital of another subsidiary, China MCC5 Group Corp. Ltd.
- (b) In the year, the Company transferred 100% equity interest in MCC Real Estate, China Nonferrous Engineering, MCC Tongsin, Ramu Management, as well as 67.02% equity interest in MCC-JJJ, to Minmetals land and CMC. For details, see Note VIII, 2.
- (c) In the year, the Company lost control but retained significant influence over MCC International Investment Development Co., Ltd., which was accounted for using equity method.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(2) Investments in joint ventures and associates

RMB'000

Investees	Gross carrying amount at 31 December 2024	Changes for the year					Gross carrying amount at 31 December 2025	Impairment provision at 31 December 2025
		Increase in investments	Decrease in investments	Investment income or loss recognised under equity method	Other comprehensive income adjustments	Cash dividends or profit declared		
Beijing MCC Jianxin Investment Fund Management Co., Ltd.	86,312	-	-	3,199	-	-	89,511	-
MCC International Investment Development Co., Ltd.	-	600,000	-	252,373	-	-	852,373	-
MCC Xiangxi Mining Industry Co., Ltd.	113,146	-	-	-	-	-	113,146	113,146
Shenzhen MCC Utility Tunnel Construction and Investment Co., Ltd.	13,954	-	-	(8,444)	-	-	5,510	-
MCC-Huafa Public Utility Tunnel Co., Ltd.	106,361	-	(95,000)	1,488	-	-	12,849	-
Beijing Jingxi Travel Industry Investment Fund (limited partnership)	104,950	-	-	(4,655)	(1,188)	-	99,107	-
Yingtian MCC Xinyin Industry Development Partnership (limited partnership)	70,597	-	-	4,640	-	(5,038)	70,199	-
Total	495,320	600,000	(95,000)	248,601	(1,188)	(5,038)	1,242,695	113,146

There are no significant restrictions on withdrawing the above long-term equity investments.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Short-term borrowings

RMB'000

Items	31 December 2025	31 December 2024
Credit loans: RMB	1,011,347	11,618,993
Total	1,011,347	11,618,993

As at 31 December 2025, there were no short-term borrowings overdue but not yet paid.

6. Other payables

RMB'000

Items	31 December 2025	31 December 2024
Amounts due to subsidiaries	41,177,365	44,133,979
External dividends payable	518,298	729,273
Equity transfer payment	828,360	–
Others	324,819	1,209,098
Total	42,848,842	46,072,350

7. Non-current liabilities due within one year

RMB'000

Items	31 December 2025	31 December 2024
Long-term borrowings due within one year (Note XVII, 8)	3,000,181	439,271
Long-term employee benefits payable due within one year	5,840	5,808
Bonds payable due within one year	48,833	48,833
Lease liabilities due within one year	19,876	245
Total	3,074,730	494,157

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

8. Long-term borrowings

RMB'000

Items	31 December 2025	31 December 2024
Credit loans	3,439,261	464,271
Total	3,439,261	464,271
Including: Long-term borrowings due within one year (Note XVII, 7)	3,000,181	439,271
Long-term borrowings due after one year	439,080	25,000

For the year ended 31 December 2025, the weighted average interest rate of long-term borrowings was 4.55% per annum (for the year ended 31 December 2024: 1.35% per annum). As at 31 December 2025, there were no significant long-term borrowings overdue but not yet paid.

9. Operating income and operating costs

(1) Operating income and operating costs

RMB'000

Items	2025		2024	
	Revenue	Cost	Revenue	Cost
Principal operating activities	1,288,691	1,290,632	1,177,657	1,217,124
Other operating activities	1,171	-	42,131	243
Total	1,289,862	1,290,632	1,219,788	1,217,367

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Operating income and operating costs (Continued)

(2) Breakdown of operating income

(a) Classified by industry

RMB'000

Items	2025	2024
Engineering contracting	1,288,691	1,177,657
Total	1,288,691	1,177,657

(b) Classified by geographic location

RMB'000

Items	2025	2024
Revenue from other countries	1,288,691	1,177,657
Total	1,288,691	1,177,657

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Operating income and operating costs (Continued)

(3) As at 31 December 2025, information of major customers whose revenue accounts for 10% or more of the total revenue is as follows:

RMB'000

Items	Relationship with the Company	Operating income	As a percentage of total operating income of the Company (%)
Party 1	Third party	976,560	75.71
Party 2	Third party	149,270	11.57
Total	/	1,125,830	87.28

The project contracting services provided by the Company usually constitute a single performance obligation as a whole and are performance obligations performed within a certain period of time. As at 31 December 2025, some of the Company's project contracting service contracts are still in the process of implementation. The trading price allocated to non-implemented (or partly non-implemented) performance obligations is related to the performance progress of each project contracting service contract. It will be recognised as revenue within the future performance period of each project contracting service contract according to the performance progress.

Among the above operating income, revenue from contracts with customers was RMB1,289,862,000 (for the year ended 31 December 2024: RMB1,219,788,000).

10. Investment (loss)/income

RMB'000

Items	2025	2024
Investment loss on disposal of long-term equity investments	(10,032,815)	-
Income from investments in subsidiaries	3,734,183	4,965,578
Investment income from long-term equity investments under equity method	248,601	9,096
Investment loss on disposal of held-for-trading financial liabilities	(38,993)	(113,311)
Total	(6,089,024)	4,861,363

There is no significant restriction of investment income repatriation to the Company.

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

11. Reversal of/(Losses on) credit impairment

<i>RMB'000</i>		
Items	2025	2024
Credit impairment reversal of accounts receivable	7,199	22,199
Credit impairment losses of other receivables	(3,373)	(167,849)
Total	3,826	(145,650)

12. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

<i>RMB'000</i>		
Supplementary information	2025	2024
Reconciliation of (net loss)/net profit to cash flows from operating activities:		
(Net loss)/Net profit	(6,489,267)	3,911,739
Add: Impairment (reversal)/losses of credit	(3,826)	145,650
Impairment (reversal)/losses of assets	(7,311)	753,831
Depreciation of fixed assets and right-of-use assets	23,314	28,069
Amortisation of intangible assets	2,928	1,265
Gains on disposal of fixed assets, intangible assets and other long-term assets	-	(226)
Losses on retirement of fixed assets	492	310
(Gains)/Losses on changes in fair value	(20,579)	375,377
Financial expenses	57,760	(651,277)
Investment loss/(income)	6,089,024	(4,861,363)
Decrease/(Increase) in inventories	39	(93)
Increase in contract assets	(84,149)	(198,281)
Increase in contract liabilities	1,066,784	157,385
Decrease/(Increase) in operating receivables	452,828	(135,102)
(Decrease)/Increase in operating payables	(1,332,735)	278,529
Net cash flow used in operating activities	(244,698)	(194,187)
Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	23,228,983	8,354,373
Less: Opening balance of cash and cash equivalents	8,354,373	968,955
Net increase in cash and cash equivalents	14,874,610	7,385,418

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

12. Supplementary information to the cash flow statement (Continued)

(2) Composition of cash and cash equivalents

RMB'000

Items	31 December 2025	31 December 2024
Cash	23,228,983	8,354,373
Including: Cash on hand	37	104
Bank deposits that are readily available for payment	23,228,946	8,354,269
Closing balance of cash and cash equivalents	23,228,983	8,354,373

XVIII. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

RMB'000

Items	Amount
Profit or loss on disposal of non-current assets, including the write-off portion of the asset impairment provision already made	351,001
Government grants recognised in profit or loss (other than those closely related to business, in line with the national regulations, available under established standards and having a continuous impact on profit or loss)	436,663
Profit or loss on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on disposal of financial assets and financial liabilities, other than those used in the effective hedging activities relating to the Company's normal businesses	(30,722)
Income from non-financial institutions for occupation of funds and recognised in profit or loss	362,065
Reversal of provision for receivables that are tested for impairment losses individually	1,171,940
Profit or loss from debt restructuring	133,655
Impact related to asset disposal and connected transactions (Note 1)	(1,461,037)
Profit or loss on disposal of long-term equity investments	17,170
Other non-operating income and expenses other than the above	(208,016)
Other items classified as non-recurring profit or loss (Note 2)	460,521
Tax effects	(290,505)
Effect attributable to minority interests, net of tax	(71,325)
Total	871,410

FINANCIAL STATEMENTS

For the year ended 31 December 2025

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

1. Breakdown of non-recurring profit or loss (Continued)

Note 1: According to the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 – Non-recurring Profit or Loss (Revised in 2023) issued by China Securities Regulatory Commission in December 2023, non-recurring profit or loss refers to the gains or losses arising from transactions and events that either have no direct relation to the Company's normal operations or, while related to normal operations, impair the ability of users of financial statements to make normal judgments about the Company's operating performance and profitability due to their special nature or infrequent occurrence. In 2025, the Company transferred 100% equity interest in MCC Real Estate, China Nonferrous Engineering, MCC Tongsin, Ramu Management, as well as 67.02% equity interest in MCC-JJJ, to Minmetals land and CMC, and consequently lost control over the aforementioned companies. Given the special nature and infrequent occurrence of the aforementioned disposal of equity interests in subsidiaries, the Group has classified the aggregate impact of losses related to these transactions amounting to RMB1,461,037,000 as non-recurring profit or loss in the financial statements, including impairment losses of assets and impairment losses of credit totalling RMB20,641,305,000, and gains on disposal totalling RMB19,180,268,000.

Note 2: Upon its restructuring and listing in 2007, the Group accrued housing monetary subsidies and social management transfer expenses in a one-off amount in accordance with relevant policies and social transfer requirements. In 2025, following adjustments to relevant national policies and the Group's actual implementation, the above two expenses no longer met the payment criteria. Accordingly, the Group adjusted the defined benefit plan and reversed past service costs, with a profit or loss impact of RMB460,521,000.

2. Return on net assets and earnings per share ("EPS")

2025:

Profit for the reporting period	Weighted average return on net assets (%)	EPS (Unit: RMB)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	0.05	0.002	0.002
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	(0.81)	(0.04)	(0.04)

The above weighted average return on net assets and EPS are calculated according to the formulas provided in the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised in 2010) issued by China Securities Regulatory Commission.

OTHER FINANCIAL DATA

For the year ended 31 December 2025

All amounts in RMB'000

Items	2025	2024	2023	2022 (Restated)	2021 (Restated)
Operating revenue	455,380,420	552,024,638	633,870,422	592,669,072	500,571,647
Operating costs	409,445,805	498,543,592	572,456,849	535,516,918	447,435,146
Taxes and levies	2,682,844	2,156,087	1,921,074	1,870,771	2,515,554
Selling expenses	3,024,169	3,063,315	3,169,316	2,883,123	2,742,789
Administrative expenses	11,482,627	11,830,595	12,360,311	11,273,969	10,921,869
R&D expenses	13,963,960	16,406,225	19,730,402	18,732,632	15,901,198
Financial expenses	989,218	1,078,705	989,121	940,841	1,055,115
Impairment losses of assets	(19,439,098)	(2,540,854)	(2,954,820)	(1,359,652)	(1,624,422)
Impairment losses of credit	(8,214,433)	(7,193,525)	(5,994,293)	(3,601,874)	(3,714,814)
Gains/(losses) on investments	18,189,173	(1,354,525)	(1,487,345)	(1,523,214)	(1,793,422)
Gains on disposal of assets	364,625	1,052,666	663,075	303,355	689,228
Gains on disposal of assets	533,449	550,228	560,094	433,224	428,034
Other income	5,194,791	9,082,902	13,715,837	15,384,879	14,162,514
Operating profit	400,896	453,584	288,789	323,055	299,559
Non-operating income	586,393	281,948	239,854	315,818	449,894
Non-operating expenses	5,009,294	9,254,538	13,764,772	15,392,116	14,012,179
Total profit	2,487,266	1,350,206	2,358,663	2,460,486	2,405,190
Income tax	2,522,028	7,904,332	11,406,109	12,931,630	11,606,989
Net profit	1,321,768	6,745,954	8,670,405	10,276,187	8,374,829
Net profit attributable to shareholders of the Company	1,200,260	1,158,378	2,735,704	2,655,443	3,232,160
	0.002	0.24	0.33	0.45	0.35
	0.002	0.24	0.33	0.45	0.35

Items	As at the end of 2025	As at the end of 2024	As at the end of 2023	As at the end of 2022	As at the end of 2021
Total assets	839,488,682	808,015,755	661,602,236	585,392,827	543,474,426
Total liabilities	655,929,244	625,679,889	493,611,071	423,475,265	392,082,388
Shareholders' equity	183,559,438	182,335,866	167,991,165	161,917,562	151,392,038

Chairman: **Chen Jianguang**

Date of Approval from the Board: 30 March 2026

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