
CCXAP affirms Metallurgical Corporation of China Limited's long-term credit rating at AA_{g-}, with stable outlook.

Hong Kong, 30 June 2026 - China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has affirmed Metallurgical Corporation of China Limited's ("MCC" or the "Company") long-term credit rating at AA_{g-}, with stable outlook.

The AA_{g-} long-term credit rating of Metallurgical Corporation of China Limited reflects the Company's (1) solid market position and large operating scale in metallurgical construction; (2) diversified engineering construction business and sufficient order backlog; (3) diversified client structure and geographic coverage; and (4) good access to various funding sources.

However, the rating is constrained by the Company's (1) overseas projects with certain business risks; (2) vulnerability to the fluctuations in cyclical industries such as steel and housing construction; and (3) moderate financial profile, as reflected by improving debt management but weakened profitability.

The rating also reflects our expectation of a high likelihood of support from China Minmetals, given (1) its high strategic importance to China Minmetals; and (2) the close business and financial linkages with China Minmetals. We believe that China Minmetals has a strong capacity to support MCC by dint of (1) ultimate ownership by the central government; and (2) good track record of strong shareholder and government support.

Corporate Profile

Headquartered in Beijing, MCC (Stock codes: 1618.HK and 601618.SH) is a Chinese state-owned enterprise mainly engaged in engineering construction-related businesses. MCC is one of the largest engineering and construction ("E&C") companies in China and a market leader in metallurgical construction. In September 2009, the Company's A shares and H shares were listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively. In 2025, MCC achieved a total revenue of RMB455.4 billion, E&C projects contributed most of the Company's revenue, accounting for about 89.6%. The Company's E&C projects include metallurgical, building and transportation infrastructure construction. MCC also engages in property development, equipment manufacturing and resource development. In December 2025, the Company sold its equity interests in six subsidiaries, including MCC Real Estate Group Co., Ltd. ("MCC Real Estate") and several mining companies, alongside its corresponding credit rights against MCC Real Estate, to China Minmetals Corporation and its subsidiaries.

As of 31 March 2026, the Company was 4.918% directly held by China Metallurgical Group Corporation ("CMGC"), a wholly-owned subsidiary of China Minmetals, while China Minmetals directly held an approximate 44.258% stake in the Company. China Minmetals is ultimately and fully owned by the State-owned Assets Supervision and Administration Commission ("SASAC") of the State Council of China.

Rating Rationale

Credit Strengths

Solid market position and large operating scale in E&C, particularly metallurgical construction. MCC has a strong market position in China's E&C industry, particularly in the metallurgical construction segment. The Company is one of the largest E&C companies in China and the country's largest metallurgical contractor and service provider. CMGC ranked 7th in The Engineering News-Record's 2025 Top 250 Global Contractors, ranking among the top ten for 17 consecutive years.

Diversified engineering construction business and sufficient order backlog. MCC has also gradually expanded into non-metallurgical construction businesses, which cover housing, transportation, and infrastructure construction. MCC demonstrates a strong capability in obtaining new orders and sustaining sufficient order backlog.

Diversified client structure and geographic coverage. MCC has diversified client base with nationwide geographic coverage. As of 31 December 2025, the Company had 10,900 domestic projects and 551 overseas projects under construction. The domestic business focuses on key economic regions such as the Bohai Rim Area, the Greater Bay Area, the Yangtze River Delta region, the Chengdu-Chongqing Twin City region, and the Central City Clusters.

Good access to various funding sources. MCC has diversified financing channels, supported by its listed status in both Shanghai and Hong Kong exchanges and its state-owned background. Moreover, the Company remains a strong presence in the onshore and offshore debt capital markets. With its strong state-owned background and leading market position, we believe that MCC will be able to maintain good access to multiple financing channels.

High likelihood of support from its shareholders when necessary. MCC has a very important position in China Minmetals' operations as the primary construction company for domestic steel producers and its strategic role in the production upgrade of China's steel industry. Ranked 86th on the 2025 Fortune Global 500 list, China Minmetals demonstrates outstanding overall competitiveness. As a key subsidiary of China Minmetals, MCC benefits from strong backing from China Minmetals, particularly in areas of business synergy, internal management, credit endorsement, and funding access.

Credit Challenges

Certain business risks from overseas projects. MCC's overseas business increases its exposure to operational, financial, legal and geopolitical risks, posing uncertainties on the Company's ability to deliver projects on time and within budget. The intensification of geopolitical and political situations could disrupt domestic production and global logistics, resulting in higher operating costs and lower capacity.

Vulnerable to the fluctuations in cyclical industries. MCC's construction business has a large exposure to cyclical industries, including property development and metallurgical

construction. Given the volatile nature of these segments, we believe the Company's risk exposure to the homebuilding and steel industries will remain a concern.

Modest financial profile, as reflected by improving debt management and weakened profitability. Due to the divestment of real estate and other subsidiaries, the Company's debt levels experienced a decrease in 2025. As of end-2025, the Company's total debt (including perpetual capital) decreased to RMB164.4 billion from RMB178.7 billion at end-2024. MCC's profitability and credit metrics deteriorate. The Company's gross profit margin was recorded at 10.1% in 2025, and its net profit decreased by 68.1% YoY to RMB2.5 billion.

Rating Outlook

The stable outlook on MCC's rating reflects our expectation that the Company's importance to CMGC is unlikely to change. We also expect the Company to maintain stable credit metrics and sufficient liquidity buffers over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) there are signs of improved parental support from China Minmetals and CMGC, given their closer business and financial linkages; or (2) MCC's standalone credit quality improves significantly, including stronger market position, larger operating scale, and improved credit metrics.

What could downgrade the rating?

The rating could be downgraded if (1) the credit quality of China Minmetals and CMGC deteriorates or the likelihood of parental support is expected to be weakened; or (2) MCC's standalone credit quality worsens significantly, including material drop in market share, deterioration in credit metrics, and poor liquidity management.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [General Corporate \(May 2026\)](#).

Regulatory Disclosures

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