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METALLURGICAL CORPORATION OF CHINA LTD. *

中國冶金科工股份有限公司

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

(Stock Code: 1618)

2025 ANNUAL RESULTS ANNOUNCEMENT

SUMMARY

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.

I. CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Company’s Board of Directors, I would like to present MCC’s 2025 annual results announcement, 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 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.** The Company’s construction enterprises and relevant enterprises have carried out active collaboration. 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 (中原高鐵路港數字展貿城項目) 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.

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 unswervingly 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!

Chairman: Chen Jianguang

II. BUSINESS OVERVIEW

(I) The 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.

1. 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 Nonferrous Metals Research Institute, MCC Copper & Zinc, Ramu Management, Huaye Duda, and 67.02% equity of MCC Jilin 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.

2. 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.

3. 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.

4. 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.

5. 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 the date of disclosure of this announcement, the Company has repurchased 50,277,500 A shares and 19,637,000 H shares, for a total amount of approximately 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.

(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, further 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 goal 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.

1. 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.

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 (黃石市開鐵區雲頭嶠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 (小紅山釩鈦磁鐵礦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

No.	Name of Project (Contract)	Contract Amount (RMB100 million)
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45萬噸型材生產綫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

2. *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.

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) (南陽市盆窰、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同)	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

No.	Name of Project (Contract)	Contract Amount (RMB100 million)
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

3. *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.

(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號綫一期工程監理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

(III) Industry Situation of the Company During the Reporting Period

1. 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.

2. 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.

3. 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 40 trillion yuan. 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.

(IV) Analysis on Core Competitiveness during the Reporting Period

- 1. 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.

2. **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.
3. **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 academican 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.

4. **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.

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

III. FINANCIAL HIGHLIGHTS

(I) Summary

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 RMB455.380 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.

(II) 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.

(III) Major Financial Data by Quarter in 2025

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	<u>(25,694,659)</u>	<u>3,709,681</u>	<u>2,593,882</u>	<u>34,713,849</u>

IV. POSSIBLE RISKS AND MEASURES ADOPTED BY THE COMPANY

1. Risks associated with macro-economy

The global economy is expected to continue a moderate growth trajectory, though there are many uncertainties. Domestically, the long-term 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.

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.

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

(I) Landscape and trend of the industry

In the metallurgical construction sector, 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.

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 become the key support for the Group 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).

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.

VI. MANAGEMENT DISCUSSION AND ANALYSIS

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%.

(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.

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. The relevant businesses constitute a separate major business of the Group, or form part of a linked plan to dispose of a separate major business, and therefore represent a discontinued operation. The net loss from discontinued operations amounted to RMB-5,189,903 thousand.

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.

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.

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					
	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

Main Businesses by Region						
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.

2) Explanation on Major Business by Region

In 2025 and 2024, the Company's overseas operating income was RMB31,547,317 thousand and RMB28,135,516 thousand respectively, with the main income coming from overseas engineering contracting business.

(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

(6) *Table of cost analysis*

Unit: RMB'000

Segments	Costs component	By segment			Proportion of the amount for the current period to the total costs (%)	Amount for the same period in the previous year	Proportion of the amount for the same period in the previous year to the total costs (%)	Percentage change in the amount for the current period as compared to that for the same period in the previous year (%)
		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	<u>283,823,471</u>	<u>68.42</u>	<u>360,472,187</u>	<u>71.34</u>	<u>431,385,404</u>	<u>72.66</u>

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.

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	<u>369,044,860</u>	<u>100.00</u>	<u>459,138,885</u>	<u>100.00</u>

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

(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 the “(I) The Operation Result Discussion and Analysis” under the “II. Business Overview” section of this announcement. This year, the Company transferred 100% of the equity and related claims of China Metallurgical Land, 100% of the equity of China Metallurgical Engineering and Research Institute, China Metallurgical Copper and Zinc, and RIM Management, as well as 67.02% of the equity of China Metallurgical Jigang to China Minmetals Land Holdings and China Minmetals Corporation, and lost control over the above-mentioned companies. As of 31 December 2025, the above-mentioned companies will no longer be included in the consolidated financial statements of the Group.

(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 Nonferrous Metals Research Institute, MCC Copper & Zinc, Ramu Management, Huaye Duda, and 67.02% equity of MCC Jilin 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.

(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 /		<u>39,934,520</u>	<u>8.77</u>

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 /		<u>10,844,002</u>	<u>2.65</u>

- 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

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 increase 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.

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 (%)	<u>13.41</u>

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	<u>85</u>

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	<u>23</u>

(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

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	<u>(12,691,960)</u>	<u>11,059,823</u>

(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) 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

(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..

(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*

31 December 2025

Unit: 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	<u>9,322,336</u>	Pledge
Total	<u><u>35,472,917</u></u>	/

(III) Analysis on the operational information in the industry

Analysis on the operational information in the construction industry

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

Unit: RMB'000

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

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	<u>10,711</u>	<u>61,110,993</u>

2. *Projects under construction during the Reporting Period*

Unit: RMB'000

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

Unit: RMB'000

Project location	Number of projects <i>(Unit)</i>	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	<u>11,451</u>	<u>339,586,677</u>

3. *Major projects under construction*

Applicable Not applicable

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

During the Reporting Period, the accumulated number of newly signed 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.

6. 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.

7. 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.

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.

8. *Financing arrangements of the Company*

As at the end of the Reporting Period, the balance of corporate debt and other equity instrument financing was 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.

(IV) 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.

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 (中儲股份)	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

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)	(I) Transaction Risk Analysis
	<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.
	(II) Risk Control Measures
	<ol style="list-style-type: none"> 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.

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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.
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Changes in the market price or product fair value of invested derivatives during the Reporting Period, the analysis of the fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters	The Company conducted foreign exchange forward and currency swap business with caution for the purpose of hedging, and the market price fluctuated according to the exchange rate of Renminbi against the U.S. dollar during the Reporting Period.
Involvement in litigation (if applicable)	Not applicable
Date of disclosure of the announcement of the Board for approval of derivative investment (if 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

VII. CONSOLIDATED AND THE COMPANY'S BALANCE SHEETS

CONSOLIDATED BALANCE SHEET 31 December 2025

Items	RMB'000	
	31 December 2025	31 December 2024
Current assets		
Cash and bank balances	77,764,883	52,558,851
Held-for-trading financial assets	2,030	2,770
Notes receivable	5,366,671	4,846,051
Accounts receivable	243,437,020	213,513,725
Receivables financing	9,066,234	8,597,053
Prepayments	19,028,155	22,793,334
Other receivables	59,373,440	42,197,057
Inventories	15,687,453	75,593,134
Contract assets	189,499,733	156,291,569
Non-current assets due within one year	11,483,026	11,716,139
Other current assets	8,926,152	11,657,487
Total Current Assets	639,634,797	599,767,170

CONSOLIDATED BALANCE SHEET (CONTINUED)**31 December 2025**

Items	31 December 2025	31 December 2024
Non-current assets		
Long-term receivables	51,689,756	54,419,815
Long-term equity investments	40,731,505	38,078,760
Investments in other equity instruments	1,789,413	1,698,287
Other non-current financial assets	4,373,896	4,875,569
Investment properties	7,304,471	8,320,768
Fixed assets	16,615,171	27,423,332
Construction in progress	4,747,680	5,493,997
Right-of-use assets	564,920	567,911
Intangible assets	26,597,565	33,639,591
Goodwill	47,361	53,923
Long-term prepaid expenses	342,458	361,491
Deferred tax assets	8,985,407	8,936,039
Other non-current assets	36,064,282	24,379,102
	199,853,885	208,248,585
Total Non-current Assets		
	839,488,682	808,015,755
TOTAL ASSETS		

CONSOLIDATED BALANCE SHEET (CONTINUED)**31 December 2025**

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

CONSOLIDATED BALANCE SHEET (CONTINUED)**31 December 2025**

Items	31 December 2025	31 December 2024
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	23,549,164	23,460,671
Other comprehensive income	629,544	751,118
Special reserve	1,688,552	1,024,967
Surplus reserve	3,782,468	3,782,468
Retained profits	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 following persons:

<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Person in Charge of the Accounting Body:</i>
Chen Jianguang	Dong Su	Li Yifeng

THE COMPANY'S BALANCE SHEET
31 December 2025

RMB'000

Items	31 December 2025	31 December 2024
Current assets		
Cash and bank balances	23,238,794	8,377,885
Accounts receivable	316,430	538,857
Prepayments	971,823	209,509
Other receivables	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
	88,625,445	82,687,765
Total Current Assets		
Non-current assets		
Long-term receivables	120,718	268,568
Long-term equity investments	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
	78,850,825	100,435,336
Total Non-current Assets		
TOTAL ASSETS	167,476,270	183,123,101

THE COMPANY'S BALANCE SHEET (CONTINUED)**31 December 2025**

Items	31 December 2025	31 December 2024
Current liabilities		
Short-term borrowings	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	42,848,842	46,072,350
Non-current liabilities due within one year	3,074,730	494,157
Total Current Liabilities	51,239,727	61,762,831
Non-current liabilities		
Long-term borrowings	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

THE COMPANY'S BALANCE SHEET (CONTINUED)
31 December 2025

Items	31 December 2025	31 December 2024
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	<u>113,635,154</u>	<u>119,100,310</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>167,476,270</u>	<u>183,123,101</u>

This financial statement is signed by following persons:

<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Person in Charge of the Accounting Body:</i>
Chen Jianguang	Dong Su	Li Yifeng

VIII. CONSOLIDATED AND THE COMPANY'S INCOME STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

RMB '000

Item	2025	2024
I. Total operating income	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	409,445,805	498,543,592
Taxes and levies	2,682,844	2,156,087
Selling expenses	3,024,169	3,063,315
Administrative expenses	11,482,627	11,830,595
Research and development expenses	13,963,960	16,406,225
Financial expenses	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	533,449	550,228
Investment income/(loss)	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	(30,722)	(377,207)
Impairment losses of credit	(8,214,433)	(7,193,525)
Impairment losses of assets	(19,439,098)	(2,540,854)
Gains on disposal of assets	364,625	1,052,666
III. Operating profit	5,194,791	9,082,902
Add: Non-operating income	400,896	453,584
Less: Non-operating expenses	586,393	281,948
IV. Total profit	5,009,294	9,254,538
Less: Income tax expenses	2,487,266	1,350,206

CONSOLIDATED INCOME STATEMENT (CONTINUED)
For the year ended 31 December 2025

Item	2025	2024
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	(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
VI. Other comprehensive loss, net of tax	(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

CONSOLIDATED INCOME STATEMENT (CONTINUED)
For the year ended 31 December 2025

Item	2025	2024
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)	0.002	0.236
Diluted earnings per share (RMB/Share)	0.002	0.236

This financial statement is signed by following persons:

<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Person in Charge of the Accounting Body:</i>
Chen Jianguang	Dong Su	Li Yifeng

THE COMPANY'S INCOME STATEMENT
For the year ended 31 December 2025

RMB'000

Item	2025	2024
I. Total operating income	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	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	(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	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	–

THE COMPANY'S INCOME STATEMENT (CONTINUED)
For the year ended 31 December 2025

Item	2025	2024
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
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	<u><u>(6,493,316)</u></u>	<u><u>3,897,872</u></u>

This financial statement is signed by following persons:

<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Person in Charge of the Accounting Body:</i>
Chen Jianguang	Dong Su	Li Yifeng

IX. CONSOLIDATED AND THE COMPANY'S CASH FLOWS STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	<i>RMB '000</i>	
Item	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	<u>11,034,209</u>	<u>13,676,337</u>
Sub-total of cash inflows from operating activities	<u>433,901,889</u>	<u>443,770,457</u>
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	<u>21,459,417</u>	<u>20,738,089</u>
Sub-total of cash outflows from operating activities	<u>418,579,136</u>	<u>435,922,753</u>
Net Cash Flow from Operating Activities	<u>15,322,753</u>	<u>7,847,704</u>

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
For the year ended 31 December 2025

Item	2025	2024
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	28,514,826	–
Other cash receipts relating to investing activities	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	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)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
For the year ended 31 December 2025

Item	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	13,161,674	3,552,009
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	250,277,094	376,429,789
	<hr/>	<hr/>
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	40,002,551	22,107,548
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	262,969,054	365,369,966
	<hr/>	<hr/>
Net Cash Flow (Used in)/from Financing Activities	(12,691,960)	11,059,823
	<hr/>	<hr/>

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
For the year ended 31 December 2025

Item	2025	2024
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	<u>69,486,260</u>	<u>43,190,604</u>

This financial statement is signed by following persons:

<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Person in Charge of the Accounting Body:</i>
Chen Jianguang	Dong Su	Li Yifeng

THE COMPANY'S CASH FLOW STATEMENT
For the year ended 31 December 2025

	<i>RMB'000</i>	
Item	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	(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

THE COMPANY'S CASH FLOW STATEMENT (CONTINUED)
For the year ended 31 December 2025

Item	2025	2024
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
	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	45,623,968	80,456,669
	<hr/>	<hr/>
Net Cash Flow from/(Used in) Investing Activities	27,178,043	(377,080)
	<hr/>	<hr/>
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
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Net Cash Flow (Used in)/from Financing Activities	(12,009,562)	7,952,723
	<hr/>	<hr/>

THE COMPANY'S CASH FLOW STATEMENT (CONTINUED)
For the year ended 31 December 2025

Item	2025	2024
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	23,228,983	8,354,373

This financial statement is signed by following persons:

<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Person in Charge of the Accounting Body:</i>
Chen Jianguang	Dong Su	Li Yifeng

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

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	-	29,800,000	(35,858)	-	-	-	-	3,997,115	33,761,257
3. Capital reduction from holders of other equity instruments	-	(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	<u>20,723,619</u>	<u>54,100,000</u>	<u>23,549,164</u>	<u>629,544</u>	<u>1,688,552</u>	<u>3,782,468</u>	<u>51,289,390</u>	<u>27,796,701</u>	<u>183,559,438</u>

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
(I) Total comprehensive (loss)/ income	-	-	-	(364,852)	-	-	6,745,954	1,163,750	7,544,852
(II) 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	<u>20,723,619</u>	<u>50,600,000</u>	<u>23,460,671</u>	<u>751,118</u>	<u>1,024,967</u>	<u>3,782,468</u>	<u>52,700,255</u>	<u>29,292,768</u>	<u>182,335,866</u>

This financial statement is signed by following persons:

Legal Representative:

Chen Jianguang

Chief Financial Officer:

Dong Su

Person in Charge of the Accounting Body:

Li Yifeng

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

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 following persons:

<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Person in Charge of the Accounting Body:</i>
Chen Jianguang	Dong Su	Li Yifeng

XI NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(I) BASIC INFORMATION

Metallurgical Corporation of China Ltd. (the “**Company**”) was established as a joint stock limited liability company by China Metallurgical Group Corporation (“**CMGC**”) and China Baowu Steel Group Corporation (“**CBSGC**”, formerly named as Baosteel Group Corporation) as promoters on 1 December 2008 and was registered in Beijing in the People’s Republic of China (the “**PRC**”), upon the approval by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (the “**SASAC**”) of 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 performed the non-public issuance of 1,613,619,000 A Shares of the Company (the “**Non-Public Issuance**”) to certain specific investors on 26 December 2016. Upon completion of the Non- Public Issuance, the share capital of the Company increased to RMB20,723,619,000, and CMGC remains as the controlling shareholder of the Company.

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

In October 2018, CMGC purchased the structure adjusting funds for central enterprises at a consideration of 3% shares it held in the Company. The 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 (“**CNPC**”) 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%.

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 engineering contracting and featured business.

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.

(II) 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. *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.

3. *Accounting period*

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

4. Functional currency

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

(III) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

During the reporting period, the Group’s significant accounting policies remain unchanged.

(IV) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

	<i>RMB’000</i>	
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

2. 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	<u>5,441,214</u>	<u>74,543</u>	<u>5,366,671</u>	<u>4,916,191</u>	<u>70,140</u>	<u>4,846,051</u>

3. Accounts receivable

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	<u>273,936,768</u>	<u>240,590,895</u>
Less: Credit loss allowance	30,499,748	27,077,170
Carrying amount	<u>243,437,020</u>	<u>213,513,725</u>

4. *Prepayments*

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	<u>19,028,155</u>	<u>100.00</u>	<u>22,793,334</u>	<u>100.00</u>

5. *Other receivables*

(1) *Category of other receivables*

RMB '000

Item	31 December 2025	31 December 2024
Dividends receivable	33,568	150,985
Other receivables	<u>59,339,872</u>	<u>42,046,072</u>
Total	<u>59,373,440</u>	<u>42,197,057</u>

(2) *Other receivables*

(a) Aging analysis

	<i>RMB'000</i>	
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

	<i>RMB'000</i>	
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

6. 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	3,811,830	88,889	3,722,941	37,203,220	485,834	36,717,386
Completed properties held for sale	6,703,917	713,518	5,990,399	34,296,303	2,385,756	31,910,547
Total	<u>16,883,827</u>	<u>1,196,374</u>	<u>15,687,453</u>	<u>78,976,848</u>	<u>3,383,714</u>	<u>75,593,134</u>

(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	<u>3,383,714</u>	<u>14,957,138</u>	<u>238,461</u>	<u>-</u>	<u>759,088</u>	<u>16,382,440</u>	<u>241,411</u>	<u>1,196,374</u>

7. *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	<u>196,336,748</u>	<u>6,837,015</u>	<u>189,499,733</u>	<u>162,409,335</u>	<u>6,117,766</u>	<u>156,291,569</u>

(2) *West Australia SINO Iron Mining Project*

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

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

The Group assessed the accounts receivable 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 RMB1,702,191,000, 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.

8. Long-term receivables

<i>RMB '000</i>			
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	11,483,026	11,716,139	/
Long-term receivables due over 1 year, net	51,689,756	54,419,815	/

9. Notes payable

<i>RMB '000</i>		
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

10. Accounts payable

(1) Classification of accounts payable

	<i>RMB'000</i>	
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	<u>396,600,873</u>	<u>335,085,043</u>

(2) Aging analysis of accounts payable

	<i>RMB'000</i>	
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	<u>396,600,873</u>	<u>335,085,043</u>

11. Contract liabilities

	<i>RMB'000</i>	
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	<u>56,137,036</u>	<u>61,190,649</u>

12. Other payables

(1) Classification of other payables

	<i>RMB'000</i>	
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	<u>50,256,178</u>	<u>55,797,734</u>

(2) *Dividends payable*

	<i>RMB'000</i>	
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

(3) *Other payables*

	<i>RMB'000</i>	
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

13. 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	<u>455,380,420</u>	<u>409,445,805</u>	<u>552,024,638</u>	<u>498,543,592</u>

14. 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	<u>2,682,844</u>	<u>2,156,087</u>

15. Selling expenses

	<i>RMB'000</i>	
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
	3,024,169	3,063,315
Total	3,024,169	3,063,315

16. 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
	11,482,627	11,830,595
Total	11,482,627	11,830,595

17. 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
	<hr/>	<hr/>
Total	13,963,960	16,406,225
	<hr/> <hr/>	<hr/> <hr/>

18. Financial expenses

	<i>RMB'000</i>	
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)
	<hr/>	<hr/>
Total	989,218	1,078,705
	<hr/> <hr/>	<hr/> <hr/>

19. Impairment losses of credit

	<i>RMB'000</i>	
Item	2025	2024
(Losses on)/Reversal of credit impairment of notes receivable	(4,403)	2,036
Losses on credit impairment of accounts receivable	(4,753,134)	(6,063,586)
Losses on credit impairment of other receivables	(2,754,800)	(1,222,023)
(Losses on)/Reversal of credit impairment of long-term receivables	<u>(702,096)</u>	<u>90,048</u>
Total	<u><u>(8,214,433)</u></u>	<u><u>(7,193,525)</u></u>

20. Impairment losses of assets

	<i>RMB'000</i>	
Item	2025	2024
Losses on decline in value of inventories	(14,957,138)	(1,725,060)
Losses on impairment of contract assets	(787,224)	(732,538)
Losses on impairment of goodwill	(6,562)	(2,635)
Losses on impairment of investment properties	(995,975)	–
Losses on impairment of fixed assets	(2,303,627)	–
Losses on impairment of construction in progress	(52,512)	–
Losses on impairment of intangible assets	(2,651)	–
Losses on impairment of other non-currents assets	(89,919)	(98,414)
Losses on impairment of long-term equity investments	–	(1,626)
(Losses on)/Reversal of impairment of other current assets	<u>(243,490)</u>	<u>19,419</u>
Total	<u><u>(19,439,098)</u></u>	<u><u>(2,540,854)</u></u>

21. 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	<u>18,189,173</u>	<u>(1,354,525)</u>

22. Non-operating income

Item	RMB'000		
	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	<u>400,896</u>	<u>453,584</u>	<u>400,896</u>

23. Non-operating expenses

Item	RMB'000		
	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	<u>586,393</u>	<u>281,948</u>	<u>586,393</u>

24. Income tax expenses

(1) Classification of income tax expenses

	<i>RMB'000</i>	
Item	2025	2024
Current tax expenses	2,891,443	3,391,841
Deferred tax expenses	(404,177)	(2,041,635)
Total	<u>2,487,266</u>	<u>1,350,206</u>

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

	<i>RMB'000</i>	
Item	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	<u>2,487,266</u>	<u>1,350,206</u>

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.

25. 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

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 profit or 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 profit or 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	<u>(210,353)</u>	<u>13,560</u>	<u>(189,508)</u>	<u>(34,405)</u>

26. Earnings per share

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

Item	RMB '000	
	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	<u>46,309</u>	<u>4,884,211</u>

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

	<i>RMB '000</i>	
Item	2025	2024
	<i>'000 shares</i>	<i>'000 shares</i>
Number of ordinary shares outstanding at the beginning of the year	20,723,619	20,723,619
Add: Weighted average number of ordinary shares issued during the year	–	–
Less: Weighted average number of ordinary shares repurchased during the year	–	–
Number of ordinary shares outstanding at the end of the year	<u>20,723,619</u>	<u>20,723,619</u>

- (3) *Earnings per share*

	<i>RMB</i>	
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	<u>RMB (0.259)/share</u>	<u>RMB (0.137)/share</u>

XII. DIVIDENDS

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.

XIII. CHANGES IN SHARE CAPITAL AND PARTICULARS OF SHAREHOLDERS

(I) Changes in ordinary shares

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

(II) Particulars of Shareholders and de facto controllers

1. Total number of Shareholders

Total number of ordinary Shareholders as at the end of the Reporting Period (<i>Person</i>)	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

2. 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

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

Name of Shareholder (Full name)	Change during the Reporting Period	Shares		Percentage (%)	Shares subject to selling restrictions	Pledged, marked or frozen		Nature of Shareholder
		held at the end of the Reporting Period				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
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
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) Particulars of Controlling Shareholder and de facto controllers

1. Controlling Shareholder

(1) Legal person

Name	China Minmetals Corporation
Unit head or legal representative	Chen Dexin
Date of incorporation	9 December 1982

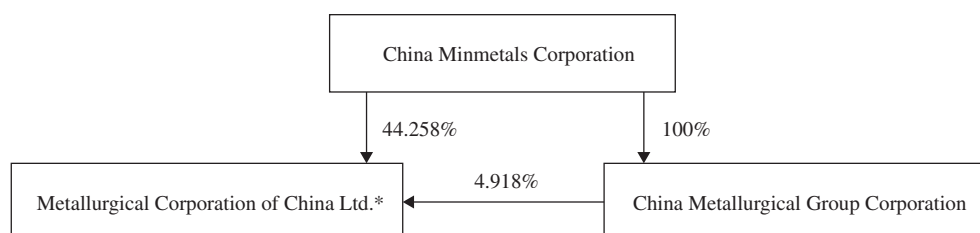
Name**China Minmetals Corporation**

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.

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) 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).

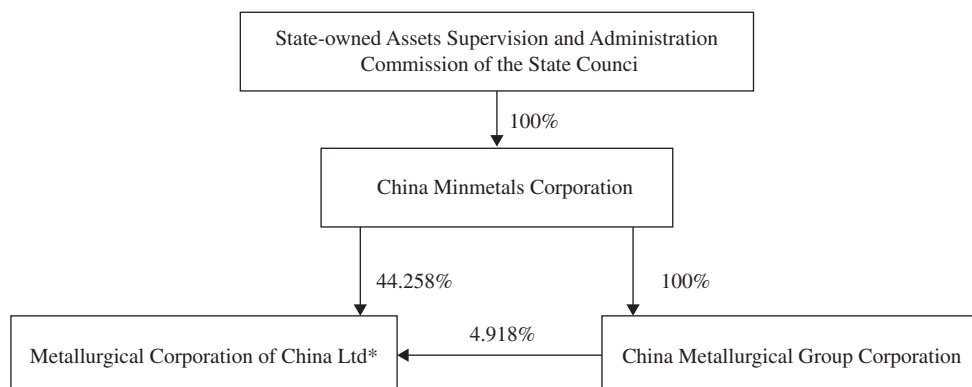
No.	Name	Shareholding
7	Minmetals Capital Co., Ltd. (Minmetals Capital, 600390. SH)	Controlling shareholder, China Minmetals Corporation Limited, had a shareholding of 50.42% (of which 47.07% are held through China Minmetals Corporation Limited, 3.35% through Changsha Research Institute of Mining and 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..

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



2. *De Facto Controller*

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



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

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

XV. RELEVANT INFORMATION ON CORPORATE BONDS

Applicable Not applicable

XVI. COMPLIANCE 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.

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

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

XVIII. WORK REVIEW OF THE FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee under the Board has reviewed the accounting principles and practices adopted by the Company and its subsidiaries in collaboration with the Company's management, and has discussed with the Directors on matters in relation to the internal control and the financial reporting of the Company, including the review of the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025.

XIX. ANNUAL SHAREHOLDERS' MEETING AND CLOSURE OF H SHARE REGISTER OF MEMBERS

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

XX. AUDITOR

As approved by the 2024 Annual General Meeting of the Company, the Company has renewed its appointment to Ernst & Young Hua Ming LLP as the auditor of the financial reports of the Company for the year 2025, the auditor of the semi-annual financial report review and the auditor of the internal control of the Company for the year 2024 for the annual audits and interim review of the financial statements of the Company prepared in accordance with China Accounting Standards.

The certified public accountants who signed off the 2025 audit report of the Company are Chen Wenlong, Zhou Hongyu.

XXI. PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2025 will be available on the website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.mccchina.com) on or before 24 April 2026 for inspection by the Shareholders.

XXII. DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

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

“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*

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

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

By order of the Board
Metallurgical Corporation of China Ltd.*
Chang Qi
Joint Company Secretary

Beijing, the PRC
30 March 2026

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

* *For identification purposes only*