



中鋁國際工程股份有限公司

China Aluminum International Engineering Corporation Limited

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

Stock Code: 2068

2024 ANNUAL REPORT





Corporate Vision

Spare no efforts to build a world-class technology service enterprise that provides comprehensive solutions for advanced non-ferrous metal technologies, complete sets of equipment and integrated services.



Development Positioning

A leader in non-ferrous industrial technology
A major player in non-ferrous engineering construction
A rising force in the manufacturing of high-end industrial equipment and products



Core Values

Responsibility Integrity Openness Excellence



Strategic Planning

Technology + Internationalisation



A quick look at the annual report



About Chalieco

We have achieved **27** new scientific and technological advancements at or above internationally advanced levels, including **24** at international leading levels

We were awarded **40** provincial and ministerial-level science and technology prizes, of which, the project of “Precise Control and Intelligent Automation System for Efficient Conversion of Non-ferrous Metallurgy” participated by CINF won the Second Prize of State Scientific and Technological Progress Award.

We have won **17** quality awards at provincial and ministerial levels or above, including **5** national awards

We have won **84** provincial and ministerial awards for survey and design

We have won **93** provincial and ministerial awards for QC achievements

We have been consistently included in the “THE TOP **150** GLOBAL DESIGN FIRMS”, “THE TOP **225** INTERNATIONAL DESIGN FIRMS”, “THE TOP **250** INTERNATIONAL CONTRACTORS” and “THE TOP **250** GLOBAL CONTRACTORS” unveiled by Engineering News Record (ENR) of the United States.



Principal operating indicators

Net profit attributable to the parent company was RMB**221** million



Newly signed industrial contracts totalled RMB**28.276** billion, a **42.66%** increase from the previous year



Newly signed overseas contracts amounted to RMB**6.095** billion, a **65.09%** year-on-year increase



Operating revenue reached RMB**24.003** billion, a **7.46%** year-on-year increase.



Revenue from overseas operation stood at RMB**4.133** billion, a **22.50%** year-on-year increase.



Revenue from design consultancy reached RMB**1.713** billion, a **24.14%** year-on-year increase



Revenue from equipment manufacturing business totalled RMB**2.957** billion, an **18.66%** year-on-year increase



IMPORTANT NOTE

- I. The Board of Directors, Board of Supervisors, Directors, Supervisors and senior management of the Company guarantee that the contents of the Annual Report are truthful, accurate and complete, free from any false statement, misleading representation or major omission, and are legally liable therefore on a several and joint basis.
- II. All Directors of the Company are present at the meeting of Board of Directors.
- III. Grant Thornton Certified Public Accountants LLP issued a standard Auditor's Report without qualified opinion for the Company.
- IV. LI Yihua, the person in charge of the Company, TAO Fulun, the person in charge of accounting work, and CAO Duolin, the person in charge of the accounting organ (the person in charge of the accounting function) undertake that: the financial report in this annual report is truthful, accurate and complete.
- V. Proposal for Profit Distribution or Proposal for Converting Capital Reserve into Share Capital for the Reporting Period as Adopted by the Board of Directors

According to the audit performed by Grant Thornton Certified Public Accountants (Special General Partnership), as of 31 December 2024, the parent company's undistributed profits were a loss of RMB390,944,000. At the same time, the Company's board of directors took into account the need for future investment in the Company's projects and in order to ensure the Company's continued stable operations and in the long-term interests of all shareholders, and after comprehensive consideration of the Company's 2025 business plan and capital needs, it is proposed that no profit distribution will be made for 2024, nor to convert capital reserve funds into share capital. The proposal will take effect after being considered and approved at the general meeting.

VI. Forward-looking Risk Statements

☒ Applicable ☐ Not applicable

This report contains some predictive statements based on subjective assumptions and judgments about future policies and economic trends. Subject to many variable factors, actual results or trends may deviate from these predictive statements.

Forward-looking statements such as future plans mentioned in this report do not constitute the Company's substantive undertakings to investors. Investors should be aware of investment risks.

VII. Any Funds Occupied by the Controlling Shareholder or its Related Parties for Non-operating Purpose

No

VIII. Any Guarantee Provided for Any Third Party in Violation of Required Decision Procedures

No



IMPORTANT NOTE

- IX. Is it possible that more than half of the Directors could not guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company

No

- X. Material Risk Disclosure

The risks faced by the Company mainly include safety and environmental risks in the course of daily operations, cash flow risks, engineering project management risks, risk of reform and business transformation, risk of market changes and market competition. For details, please refer to “VI. Discussion and Analysis of Future Development of the Company – (IV) Potential Risks” under Section IV “Management Discussion and Analysis (Report of the Board)” of this Report. Investor attention is drawn thereto.

- XI. Others

☒ Applicable ☐ Not applicable

For the purpose of this Report, all amounts are expressed in RMB unless otherwise specified.

CONTENTS

Section I	Definitions	6
Section II	Chairman Statement	9
Section III	Company Profile and Key Financial Indicators	11
Section IV	Management Discussion and Analysis (Report of the Board)	20
Section V	Corporate Governance (Corporate Governance Report)	112
Section VI	Report of the Board of Supervisors	181
Section VII	Environmental and Social Responsibilities	186
Section VIII	Key Matters	191
Section IX	Changes in Ordinary Shares and Shareholders	225
Section X	Particulars of Preferred Shares	242
Section XI	Particulars of Bonds	243
Section XII	Financial Report	249
Section XIII	Five-Year Performance Summary	510

List of
documents
available for
inspection

Financial statements signed and with seal affixed by the person in charge of the Company, the person in charge of accounting work and the person in charge of the accounting organization
The original audit report containing the seal of the accounting firm, the signature and the seal of the certified public accountant
The original copies of all company documents and announcements that have been publicly disclosed on Securities Daily and Securities Times during the Reporting Period
The annual results announcement for 2024 published on the Stock Exchange



SECTION I DEFINITIONS

I. DEFINITIONS

For the purpose of this report, unless the context otherwise requires, the following terms have the following meanings:

Definition of Common Terms

“the Company”, “Company”, “Chalieco”	China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)
“Group”	the Company and its subsidiaries
“Chinalco”	Aluminum Corporation of China (中國鋁業集團有限公司), our controlling shareholder
“Luoyang Institute”	Luoyang Engineering & Research Institute for Non-ferrous Metals Processing (洛陽有色金屬加工設計研究院有限公司), one of our promoters and shareholders
“State Council”	the State Council of the People’s Republic of China
“Ministry of Finance”	the Ministry of Finance of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“CSRC”	the China Securities Regulatory Commission
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“HKEX Listing Rules”	the Rules Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Audit Committee”	the audit committee under the Board of Directors
“Remuneration Committee”	the remuneration committee under the Board of Directors
“Risk Management Committee”	the risk management committee under the Board of Directors
“Strategy Committee”	the strategy committee under the Board of Directors
“Nomination Committee”	the nomination committee under the Board of Directors
“Articles of Association”	the Articles of Association of China Aluminum International Engineering Corporation Limited
“Company Law”	the Company Law of the People’s Republic of China
“Securities Law”	the Securities Law of the People’s Republic of China
“Chalco”	Aluminum Corporation of China Limited (中國鋁業股份有限公司), listed on the SSE (stock code: 601600) and the HKEX (stock code: 2600), a subsidiary of Chinalco
“Chinalco Finance”	Chinalco Finance Company Limited (中鋁財務有限責任公司), a subsidiary of Chinalco
“SAMI”	Shenyang Aluminum & Magnesium Engineering and Research Institute Company Limited (瀋陽鋁鎂設計研究院有限公司), a subsidiary owned as to 60.22% by the Company
“GAMI”	Guiyang Aluminum & Magnesium Design Institute Co., Ltd. (貴陽鋁鎂設計研究院有限公司), a wholly-owned subsidiary of the Company



SECTION I DEFINITIONS

“CINF”	Changsha Engineering & Research Institute Limited for Non-ferrous Metallurgy (長沙有色冶金設計研究院有限公司), a subsidiary owned as to 64.90% by the Company
“CNPT”	China Non-ferrous Metals Processing Technology Co., Ltd. (中色科技股份有限公司), a subsidiary owned as to 92.35% by the Company
“Changkan Institute”	China Non-ferrous Metals Changsha Investigation and Design Research Institute Co., Ltd. (中國有色金屬長沙勘察設計研究院有限公司), a wholly-owned subsidiary of the Company
“Kunming Survey and Design Institute”	Kunming Survey and Design Institute Co., Ltd. of China Non-ferrous Metals Industry (中國有色金屬工業昆明勘察設計研究院有限公司), a subsidiary owned as to 60.22% by the Company
“Sixth Metallurgical Company”	Sixth Metallurgical Construction Company of China Non-ferrous Metals Industry (中國有色金屬工業第六冶金建設有限公司), a wholly-owned subsidiary of the Company
“Ninth Metallurgical Company”	Ninth Metallurgical Construction Co., Ltd. (九冶建設有限公司), a subsidiary owned as to 73.17% by the Company
“Twelfth Metallurgical Company”	China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. (中色十二冶金建設有限公司), a wholly-owned subsidiary of the Company
“Tianjin Construction”	Chalieco (Tianjin) Construction Co., Ltd. (中鋁國際(天津)建設有限公司), a wholly-owned subsidiary of the Company
“Chinalco Southwest Construction”	Chinalco Southwest Construction Investment Co., Ltd. (中鋁西南建設投資有限公司), a wholly-owned subsidiary of the Company
“Shandong Engineering”	Chalco Shandong Engineering Technology Co., Ltd. (中鋁山東工程技術有限公司), a subsidiary in which the Company and its controlling shareholder, Chinalco, hold 100% equity interest in combination
“Kunming Non-ferrous Institute”	Kunming Non-ferrous Metallurgical Design and Research Institute Corporation (昆明有色冶金設計研究院股份公司), a 67%-owned subsidiary of the Company
“Yunnan Metallurgical Group”	Yunnan Metallurgical Group Co., Ltd. (雲南冶金集團股份有限公司), its controlling shareholder China Copper Co., Ltd. (中國銅業有限公司) is a subsidiary of our controlling shareholder Chinalco
“YAIC”	Yunnan Aluminum International Company Limited, whose controlling shareholder, Yunnan Aluminium Co., Ltd., is a subsidiary of Chalco
“Miyu Company”	Yunnan Miyu Expressway Investment and Development Co., Ltd. (雲南彌玉高速公路投資開發有限公司), the target company of the Major Asset Disposal transaction of the Company, as of the date of disclosure of this report, Miyu Company was held by Chinalco Southwest Construction, Sixth Metallurgical Company and Kunming Survey and Design Institute (all being wholly owned subsidiaries of the Company) as to 1%, 0.1% and 0.1% respectively



SECTION I DEFINITIONS

“Miyu Major Asset Restructuring”	China Aluminum International Engineering Corporation Limited (China Aluminum International Engineering Corporation Limited) and its wholly-owned subsidiary Chinalco Southwest Construction, Sixth Metallurgical Company and Kunming Survey and Design Institute sell its combined 52.6% equity interest in Yunnan Miyu Expressway Investment and Development Co., Ltd. (雲南彌玉高速公路投資開發有限公司) to Yunnan Infrastructure Investment Co., Ltd. (雲南建設基礎設施投資股份有限公司)
“Ningyong Expressway Company”	Yunnan Ningyong Expressway Co., Ltd., the Company and Sixth Metallurgical Company, a wholly-owned subsidiary of the Company, held 15% equity of Ningyong Expressway respectively
“Linyun Expressway Company”	Yunnan Linyun Expressway Co., Ltd., the Company and Sixth Metallurgical Company, a wholly-owned subsidiary of the Company, held 15% equity of Linyun Expressway respectively
“Linshuang Expressway Company”	Yunnan Linshuang Expressway Co., Ltd., the Company and Sixth Metallurgical Company, a wholly-owned subsidiary of the Company, held 15% equity of Linshuang Expressway respectively
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Reporting Period”, “Current Reporting Period”	the year from 1 January 2024 to 31 December 2024



SECTION II CHAIRMAN STATEMENT

Dear shareholders and investors,

On behalf of the board of directors of the Company, I would like to present the Annual Report of Chalieco for the year 2024 and express my sincere gratitude to each and every one of you for your longstanding care of and support for Chalieco!

2024 is the 75th anniversary of the founding of New China, a key year for achieving the goals and tasks of the 14th Five-Year Plan, and also a year for tackling difficulties in deepening the reform of Chalieco. This year, Chalieco has always adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the new development concept, resolutely implemented the “Science and Technology + International” development strategy, and took the high-quality Party building as the guidance, we have comprehensively deepened “strengthening operation, promoting transformation, preventing risks and deepening reform”, achieved remarkable results in various aspects of our work, and continued the good momentum of high-quality development.

We persisted in strengthening operation, making new breakthroughs in the construction of two major systems. Over the past year, Chalieco focused on its main responsibilities and business, accelerated the transformation and upgrading, and achieved a newly signed contract amount of RMB30.826 billion for the year, with an operating income of RMB24.003 billion and a net profit attributable to shareholders of the listed company of RMB221 million. In terms of marketing system, Chalieco has based itself on three markets of Chinalco, domestic and international, making every effort to promote the optimisation of business layout and structural adjustment. Newly signed industrial contracts amounted to RMB28.276 billion, accounting for 91.73% of total newly signed contracts of the Company; we have fully leveraged the advantages of the complete industrial chain to expand EPC business, and newly signed EPC contracts amounted to RMB10.796 billion, representing an increase of 67.08% year-on-year. Our development of overseas market has achieved a rise in both quantity and quality, with newly signed overseas contracts amounting to RMB6.095 billion, representing a year-on-year increase of 65.09%; overseas operating income amounted to RMB4.133 billion, representing a year-on-year increase of 22.50%. In terms of project performance system, Chalieco has carried out in-depth implementation of the three-tier project management system of “Company – Affiliated Enterprises – Project Departments”, continuously consolidated the “two systems” of projects, strengthened the project circulating supervision, implemented pragmatic and detailed cost control of the whole process of the project, launched the intelligent site scheduling system, and strived to create benchmark projects, taking various measures to establish a new pattern of refined management and control. During the year, we won more than 10 national awards for project quality, science and technology, and QC achievements, and a large number of our projects received letters of commendation from the owner, and our project performance capability was continuously improved.

We remain steadfast in driving transformation, with technological innovation at the core of our business evolution. Over the past year, Chinalco has fully advanced its “technology + services, equipment, and products” business model, accelerating the industrial application of scientific and technological achievements with outstanding results. Aligning closely with national strategies and market demands, we have deployed major R&D initiatives, achieving breakthroughs in mining development, non-ferrous metallurgy, and processing sectors, thereby maintaining our industry leadership. CINF’s “Precision Control and Intelligent Automation System for Efficient Non-ferrous Metallurgical Conversion” was awarded the Second Prize of State Scientific and Technological Progress Award. Throughout the year, we attained 27 scientific achievements at internationally advanced levels or above, including 24 at the globally leading level, such as the “Ultra-Fine Droplet Horizontal Desulfurization Technology.” We have comprehensively advanced the digital industrialization of the non-ferrous sector, accelerating the application and development of digital and intelligent solutions. A series of smart products have been developed and promoted, including the digital intelligent control system for electrolytic cells and the online detection system for anode current distribution. In AI-driven innovation, CNPT achieved a breakthrough in AI applications with its independently developed optical inspection system for aluminum/copper surfaces.



SECTION II CHAIRMAN STATEMENT

We persisted in controlling risks, striving to build a new pattern of decent production and operation. Over the past year, Chalieco confronted the cash flow risk in the process of operation, and has taken various measures to collect the “two funds”, with a total of near RMB28 billions’ current payments collected throughout the year, representing an increase of 15% year-on-year, achieved a substantial breakthrough in the work of payment collection; we have focused our efforts on the collection of important and difficult projects and achieved remarkable results, with a total of some RMB1 billion of recovered funds over the year, exceeding the annual fund collection target. At the same time, Chalieco has always been mindful of “matters of national significance”, resolutely implemented the responsibility of a central state-owned enterprise, made every effort to pay the accounts payable as they fall due, enhancing market credibility, establishing a good business ecology of performance with good faith, and continuously building up the foundation of decent operation.

We persisted in deepening reform, accelerating the promotion of high-quality development, transformation and upgrading. Over the past year, Chalieco has focused on enhancing core functions and improving core competitiveness, and promoted the implementation of various tasks of the “1+3+6” reform system. We solidly pushed forward the deep-level market-oriented reform led by the business system reform, and made efforts to improve the management efficiency, and Chalieco headquarters and three construction enterprises took the lead in completing the reform; 6 scientific and technological reform enterprises have carried out in-depth promotion of scientific and technological innovation and market-oriented reform, and achieved “three excellent and three good” results in the special assessment of the State-owned Assets Supervision and Administration Commission. Highlighting the concept of “value creation and sharing”, we have reconstructed a scientific and reasonable appraisal and incentive system, fully stimulated the work initiative, enthusiasm and motivation of the workforce. We have implemented medium-and long-term share incentives of the listed company, and 237 management and scientific research backbones have participated in share incentives.

These achievements are the result of the joint efforts of the board of directors, the management and all staff of the Company, and cannot be separated from the strong support of Shareholders, investors and all sectors of the society. Here, on behalf of the board of directors, I would like to express my sincere gratitude to our shareholders and investors for their support, and to our directors, management and all employees for their hard work!

The journey is long and the road is steep, but the scenery is boundless; travelling through mountains and rivers, we remain marching forward unswervingly. In 2025, standing at a higher starting point, Chalieco will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, stick to the primary task of high-quality development, be confident in implementation, focus on practical results by doing practical work, resolutely implement changes and reform of the management system, and carry out in-depth implementation of the “4+4+N+Special” work implementation system, strengthen the effective improvement of the quality and reasonable growth of the quantity of business operation, exert all efforts to build a world-class science and technology service enterprise that provides advanced non-ferrous metal technology, complete sets of equipment and integrated service solutions, so as to complete the tasks and objectives of the “14th Five-Year Plan” with high quality and lay a solid foundation for a good start of the “15th Five-Year Plan”.

In 2025, Chalieco will strive to promote the high-quality development of the enterprise and create real performance, so as to live up to the indulgence and support of shareholders, investors and all sectors of the society!

Chairman:
LI Yihua

28 March 2025



SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. CORPORATE INFORMATION

Chinese Name of the Company	China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)
Abbreviation of Chinese Name of the Company	CHALIECO
The Company's name in foreign language	China Aluminum International Engineering Corporation Limited
Abbreviation of the Company's name in foreign language	CHALIECO
Legal Representative of the Company	LI Yihua

II. CONTACTS AND CONTACT INFORMATION

	Secretary to the Board, Joint Company Secretary ^{Note}	Representative for Securities Affairs
Name	TAO Fulun (陶甫倫)	MA Shaozhu (馬韶竹)
Contact address	Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海澱區杏石口路99號C座)	Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海澱區杏石口路99號C座)
Tel	010-82406806	010-82406806
Fax	010-82406666	010-82406666
E-mail	IR-zlgj@chinalco.com.cn	IR-zlgj@chinalco.com.cn

Note: There has been a change of secretary to the Board and joint company secretary during the Reporting Period. Please refer to "(III) Company secretaries" under "Section V Corporate Governance (Corporate Governance Report)" of this report for details.



SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

III. BRIEF INTRODUCTION TO BASIC INFORMATION

Registered address of the Company	Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海淀區杏石口路99號C座)
Historical changes to the registered address of the Company	At the time of establishment, the registered address of the Company was No. B12, Fuxing Road, Haidian District, Beijing (北京市海淀區復興路乙12號); in June 2009, the registered address was changed into the current one
Office address	Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海淀區杏石口路99號C座)
Postal code for domestic office of the Company	100093
Address of the Company's Hong Kong office	Room 4501, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong
Website of the Company	https://zlgj.chinalco.com.cn/
E-mail	IR-zlgj@chinalco.com.cn

IV. INFORMATION DISCLOSURE AND PLACE AT WHICH THE REPORT IS AVAILABLE

The Company's designated press media for information disclosure	Securities Daily www.zqrb.cn Securities Times www.stcn.com
Website of stock exchange for Annual Report disclosure	www.sse.com.cn , www.hkex.com.hk
Annual Report is available at	Board Office of Chalieceo at Building C, No. 99 Xingshikou Road, Haidian District, Beijing

V. STOCK PROFILE

Stock Profile				Previous Stock Abbreviation
Share Class	Listed on	Stock Abbreviation	Stock Code	
A Share	"SSE"	CHALIECO	601068	/
H Share	"Stock Exchange"	CHALIECO	2068	/



SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

VI. OTHER RELEVANT INFORMATION

Accounting firm engaged by the Company	Name	Grant Thornton (Special General Partnership)
	Office address	5th Floor, Scitech Palace, 22 Jianguomen Wai Avenue, Chaoyang District, Beijing
	Names of signing accountants	HUANG Zhibin, LI Yang
Financial advisors who performed continuous supervisory duties during the Reporting Period	Name	CSC Financial Co., Ltd.
	Office address	Taikang Group Tower, Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing
	Signing officers of financial advisors	WANG Yuming (王玉明), CHEN Wei (陳煒), ZHANG Bohua (張伯華)
	Period of continuous supervision and guidance	CSC Financial Co., Ltd. was appointed as the independent financial advisor of the Major Asset Disposal of the Company, its continuous supervision period is from 23 December 2022 to 31 December 2024
Legal advisor as to PRC laws	Name	Jia Yuan Law Offices (北京市嘉源律師事務所)
	Office address	F408, Ocean Plaza, 158 Fuxing Men Nei Street, Xicheng District, Beijing (北京市西城區復興門內大街158號遠洋大廈F408)
Legal advisor as to Hong Kong laws	Name	Jia Yuan Law Office
	Office address	7/F & 17/F, 238 Des Voeux Road Central, Sheung Wan, Hong Kong
A Shares Registrar of the Company	Name	China Securities Depository and Clearing Co., Ltd. Shanghai Branch
	Office address	188 South Yanggao Road, Pudong New Area, Shanghai (上海市浦東新區楊高南路188號)
H Shares Registrar of the Company	Name	Computershare Hong Kong Investor Services Limited
	Office address	Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)



SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

VII. KEY ACCOUNTING FIGURES AND FINANCIAL INDICATORS FOR RECENT THREE YEARS

(I) Key Accounting Figures

(Expressed in RMB'000)

Key Accounting Figures	2024	2023	Change for the period as compared with that of the same period of last year (%)	2022	
				After adjustment	Before adjustment
Operating revenue	24,003,255	22,337,171	7.46%	23,697,329	23,697,329
Net profit attributable to shareholders of the listed company	221,177	-2,657,963	N/A	112,458	112,506
Net profit attributable to shareholders of the listed company net of non-recurring gain or loss	-129,192	-3,010,338	N/A	-425,640	-425,592
Net cash flows from operating activities	-2,694,318	722,665	-472.83%	524,870	524,870
	As at the end of 2024	As at the end of 2023	Change for the period as compared with that of the same period of last year (%)	As at the end of 2022	
				After adjustment	Before adjustment
Net assets attributable to shareholders of the listed company	6,582,409	7,016,541	-6.19%	7,530,428	7,529,816
Total assets	41,156,527	40,943,803	0.52%	47,392,218	47,391,289



SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

(II) Key Financial Indicators

Key Financial Indicators	2024	2023	Change for the period as compared with that of the same period of last year (%)	2022	
				After adjustment	Before adjustment
Basic earnings per share (RMB/share)	0.0190	-0.8982	N/A	-0.0036	-0.0036
Diluted earnings per share (RMB/share)	0.0188	/	/	/	/
Basic earnings per share, net of non-recurring gain or loss (RMB/share)	-0.0994	-1.0173	N/A	-0.1855	-0.1855
Weighted average return on net assets (%)	2.46	-41.87	N/A	-0.21	-0.21
Weighted average return on net assets net of non-recurring gain or loss (%)	-12.86	-47.42	N/A	-10.72	-10.72

Explanation of key accounting figures and financial indicators of the Company for the previous three years as at the end of the Reporting Period

✓ Applicable ☐ Not applicable

- I. The Company's consolidated financial statements for 2024 turned from loss to profit, which is mainly due to:
 1. During the year, the Company accelerated its transformation and upgrading, focused on its principal responsibilities and principal businesses, and made every effort to promote structural optimisation and adjustment, with the amount of new contracts signed in metallurgical and advantageous industries increased significantly year-on-year, and the amount of new signed overseas contracts hitting a record high; the Company took the design enterprise as the leader, gave full play to its advantages in science and technology leadership and complete industrial chain, resulting in a substantial year-on-year growth in the industrial EPC business.
 2. During the year, the Company further improved the quality of project performance and implemented the ultimate cost control throughout the entire project process; we also deepened labour efficiency reforms and further reduced management costs, resulting in a significant cost reduction effect.
 3. During the year, the Company strengthened its control of payment collection and kept a close eye on the current period's sales returns, and achieved settlement of certain long aged receivables, resulting in a year-on-year decrease in impairment losses provided for the year.



SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

II. Reasons for adjustments to end-of-period data in 2022

On 30 November 2022, the Ministry of Finance issued “Interpretation No. 16 of Accounting Standards for Business Enterprises – the accounting treatment for which the initial recognition exemption is not applicable to deferred income taxes related to assets and liabilities arising from a single transaction”, the content of which is implemented since 1 January 2023. The Company implemented the above accounting policies since 1 January 2023, and made retrospective adjustments to the impact of transactions existing at the end of the period of 2022.

VIII. DIFFERENCES IN ACCOUNTING FIGURES UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

(I) Differences in net profit and in net assets attributable to shareholders of the listed company in financial reports disclosed under International Accounting Standards and under Chinese Accounting Standards

☐ Applicable ☒ Not applicable

(II) Differences in net profit and in net assets attributable to shareholders of the listed company in financial reports disclosed under overseas accounting standards and under Chinese Accounting Standards

☐ Applicable ☒ Not applicable

(III) Explanation of differences between Chinese Accounting Standards and International Accounting Standards

☐ Applicable ☒ Not applicable



SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

IX. KEY FINANCIAL FIGURES BY QUARTERS IN 2024

(Expressed in RMB'000)

	First quarter (From January to March)	Second quarter (From April to June)	Third quarter (From July to September)	Fourth quarter (From October to December)
Operating revenue	4,985,267	5,725,209	5,431,702	7,861,077
Net profit attributable to shareholders of the listed company	103,961	52,028	95,229	-230,041
Net profit attributable to shareholders of the listed company net of non-recurring profit and loss	73,157	-6,832	49,933	-245,450
Net cash flows from operating activities	-851,636	-1,183,203	-53,553	-605,926

Description of differences between quarterly figures and those disclosed in regular reports

☐ Applicable ☒ Not applicable



SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

X. ITEMS AND AMOUNTS OF NON-RECURRING PROFIT OR LOSS

✓ Applicable ☐ Not applicable

(Expressed in RMB'000)

Non-recurring Gain or Loss	Amounts in 2024	Note (as applicable)	Amounts in 2023	Amounts in 2022
Gain or losses on disposal of non-current assets, including reversal of provision for impairment of assets	103	–	–1,967	133,765
Government subsidies recorded in current P&L (except government subsidies closely related to business operations granted continuously in a fixed amount or quota according to the unified national standards)	32,360	–	20,819	23,617
Capital occupation fees charged to non-financial enterprises and included in profit or loss for the period	59,232	–	35,452	30,927
Reversal of provision for impairment of receivables tested separately for impairment	277,197	–	354,025	357,665
Net gain or loss of a subsidiary arising from business combination under common control for the period from the beginning of the Reporting Period to the combination date	–	–	–	115,123
Gain or loss on debt reorganization	11,510	–	–821	3,088
Other non-operating revenue and expenses other than the above items	98,132	–	5,451	–13,011
Other items falling within the definition of non-recurring gain or loss	185	–	–	–
Less: Impact of income tax	80,366	–	40,385	85,531
Impact of non-controlling interests (after tax)	47,984	–	20,199	27,544
Total	350,369	–	352,375	538,098



SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

Description of recognition of items not listed in the “Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public – Extraordinary Profit and Loss” as non-recurring profit and loss items and the amount is material and defining the extraordinary profit and loss listed in the “Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public – Extraordinary Profit and Loss” to be recurring profit and loss, and explanation of the reasons.

☐ Applicable ☒ Not applicable

XI. ITEMS MEASURED AT FAIR VALUE

☒ Applicable ☐ Not applicable

(Expressed in RMB'000)

Project name	Opening Balance	Closing balance	Change	Impact on Profit for the current period
Receivables financing	453,487	321,003	-132,484	-
Transactional financial assets	700,506	-	-700,506	4,844
Other equity instrument investments	49,248	43,160	-6,088	986
Total	1,203,241	364,163	-839,078	5,830

XII. OTHERS

☐ Applicable ☒ Not applicable



MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)





SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

I. OPERATING RESULTS DISCUSSION AND ANALYSIS

Operating Results of FY2024

2024 is the 75th anniversary of the founding of New China, a key year for achieving the goals and tasks of the 14th Five-Year Plan, and also a year for tackling difficulties in deepening the reform of the Company. The Company closely focuses on the annual objectives and tasks, adheres to the development strategy of “science and technology + international”, fully implemented the overall work deployment of “high-quality Party building+strengthening operation, promoting transformation, preventing risks, and deepening reform”, taking “ten special actions” as the gripping hand, highlighting “implementation + effectiveness”, achieved remarkable results in various aspects of our work, and continued the good momentum of high-quality development.

1. We made efforts on strengthening of operation, achieving new breakthroughs in the construction of marketing system

We made every effort to promote the optimisation of business layout and structural adjustment. Focusing on “three major markets”, the proportion of industrial contracts and new contracts signed within Chinalco increased significantly. In 2024, the Company entered into new industrial contracts of RMB28.276 billion, accounting for 91.73% of the Company’s total newly signed contracts, representing an increase of 42.66% over the same period last year; the Company focused on strategic optimization and adjustment, and took the initiative to give up certain low-quality non-industrial businesses, and throughout the year, the number of newly signed non-industrial contracts decreased year-on-year. We achieved quantitative growth and qualitative improvement in overseas markets, with newly signed overseas contracts totalling RMB6.095 billion, representing an increase of 65.09% over the same period of last year, and successfully won the bidding of Guinea project. The Company is once again listed in ENR’s “Top 225 International Engineering Design Firms” and “The World’s 250 Largest International Contractors”.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

We strived to expand EPC business and specialised market. Taking design enterprises as the leader, giving full play to the advantages of science and technology leadership and the whole industrial chain, systematically improving the marketing ability of general contracting projects, focusing on the expansion of EPC business, and newly signed EPC contracts for the year amounted to RMB10.796 billion. SAMI successfully entered into contract for the EPC general contracting project for the State Power Investment Corporation's Zahannur Aluminum Electrolytic Phase II project, with a contract value of RMB2.799 billion. Promote professional businesses such as electromechanical installation, kiln and furnace business, mining related business, maintenance and repair, among others, newly signed mining business contracts amounted to RMB3.773 billion, representing an increase of 21.75%.

Endeavouring to improve the quality of project performance. We carried out in-depth implementation of the three-tier project management system of "Company – Affiliated Enterprises – Project Departments", strengthened the project circulating supervision to create benchmark project, the project scheduling system of intelligent construction sites is officially put into use, and we promoted the quality of performance through various means. The 1-million-ton aluminum oxide EPC general contracting project of Inalum in Mempawah, which was constructed by the Company, was successfully put into production; the first electrolysis workshop of the Southwest Copper Relocation Project was put into production three months ahead of schedule; and the Huayun Phase III project was the first to reach the conditions for power supply among the same bidding sections. During the year, the Company won 11 national awards for project quality, science and technology, and QC achievements.

We vigorously strengthened the "Extreme Cost Reduction and Efficiency Actions". Give full play to the role of the Company's project management and cost centre, strengthen the "two systems" of projects, and implemented the whole process cost control of projects. The Company implements "two systems" record management for general contracting projects as well as construction general contracting and specialised contracting projects with contract amount of RMB100 million and above. We carried out centralised procurement of steel, significantly reducing procurement costs. Our selling and administrative expenses decreased by RMB156 million year-on-year; the financing structure was continuously optimised, the financing cost was reduced by 34BP, and the interest expense decreased by RMB50 million year-on-year.

2. We made efforts on promotion of transformation, creating new momentum in science and technology leadership

Our achievements in scientific and technological research were fruitful. The project of "Precise Control and Intelligent Automation System for Efficient Conversion of Non-ferrous Metallurgy" of CINF won the Second Prize of State Scientific and Technological Progress Award. 8 achievements of the Company won the First Prize of Science and Technology of Non-ferrous Metals Industry in 2024, with a year-on-year increase of 33% in the number of awards. 27 new scientific and technological achievements of international advanced level and above were added during the year, among which 24 achievements were of international leading level, representing an increase of 60% year-on-year.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

The effectiveness of scientific and technological synergy was remarkable. We enhanced scientific and technological synergy marketing, connected with the controlling shareholder Chinalco's affiliated enterprises such as Chalco, China Copper and Chinalco Advanced Manufacturing to hold a technical exchange meeting, promoted the development of scientific and technological synergy among Chinalco's various operating units, and exerted all efforts to play the role of scientific and technological innovation as a support and safeguard. Kunming Survey and Design Institute utilised comprehensive exploration technology of mineral resources to obtain 35 million tonnes of bauxite ore; CINF solved the major difficulties of deep-earth resource mining with its core technologies of deep well support, paste filling and non-explosive mechanical mining; and SAMI's ultra-fine droplet desulphurisation technology achieved ultra-clean emission and energy consumption was reduced by 35% under the same condition. The "Safety Facility Design for the 2.6 million t/a Open-pit Mining Technical Transformation and Expansion Project of Lanping Lead-Zinc Mine of Yunnan Jinding Zinc Industry Co., Ltd." project of Kunming Non-ferrous Institute passed the review of the National Mine Safety Administration for one instance.

Our development of digital intelligence has achieved remarkable results. The foundation of digital management has been consolidated, formulating the top-level architecture of "1+3+1+6" for digital intelligence. The construction of an operation and management platform has been carried out in a coordinated manner, creating a unified intelligent operation system for business units; the construction of a digital collaborative design and digital delivery platform has also been carried out in a coordinated manner. The pilot construction of benchmarking project for the smart construction site platform has been successfully completed. A number of digital intelligence products and services have been applied to various projects such as the Huayun Phase III electrolytic aluminum project and the relocation of Yuntong Zinc, etc. The application scenario of optical detection of aluminum/copper surfaces, which was developed by CNPT, was demonstrated at the on-site press release of the Group's "Kun'an" large model, achieving a new breakthrough in the application of artificial intelligence. Guided by "Technology+", a series of digital and intelligent products have been developed and promoted around the advantages of traditional process technology, such as the digital intelligent control system for electrolytic cells and the online detection system for anode current distribution, promoting the signing and implementation of projects. In 2024, the value of newly signed contracts related to digital and intelligent technology exceeded RMB420 million.

3. We made efforts in prevention of risks, reinforcing new defences in decent business practices

We optimised our legal compliance control system. The two-level integrated legal control system of the Company's headquarters and affiliated enterprises was established and put into operation, the contract control system optimisation plan was formulated, and the "four unification" (unification of contract evaluation authority, contract evaluation process, contract evaluation requirements and contract management account) and "one inspection" (regular contract inspection) procedures for contracts have been comprehensively carried out. The Company has comprehensively reconstructed the systems in key business areas, established a system management system and a system coherence list, and implemented a mechanism for unified management, centralised assessment, regular publicity and comprehensive evaluation for systems.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Strengthening the construction of safety and environmental protection management system. Taking the three-year action of safety production and remediation of ecological and environmental issues as the main line, the Company comprehensively strengthened the construction of safety and environmental protection management team, and effectively enhanced the ability of personnel to perform their duties; we continuously strengthened the construction of the system structure, and compiled and revised 11 safety and environmental protection systems and regulations; we carried out in-depth advancement of special rectification of safety issues in the areas such as engineering construction projects, fire prevention, mining, among other key areas, and a regular working mechanism of safety and environmental protection inspectors at the Company level was established, achieving the “three zero” targets for the year. Our HSE system operated effectively and passed the re-certification.

4. We made efforts in deepening reform, achieving a new leap forward in market competitiveness

Centering on the target direction of deepening and upgrading the reform of state-owned enterprises, with the focus on improving core competitiveness and enhancing core functions, the Company has carried out in-depth and through systematic and structural reforms, promoted the implementation of the tasks of the “1+3+6”¹ reform work system, and the reform is promoted in a smooth and orderly manner, with the results of the reform gradually emerging. Taking the “Science and Technology Reform Action” as a handhold, the design and survey enterprises promoted the market-oriented mechanism and reform of the science and technology innovation system, the business performance of the enterprises continued to improve, and achieved “three excellent and three good” results in the special assessment of the State-owned Assets Supervision and Administration Commission. In accordance with the development model of “refining, optimising, strengthening and specialising”, the construction enterprises promoted the market-oriented reform and professional integration, streamlined their internal organisations, branches and subsidiaries, reduced management levels, lowered operating costs and improved management efficiency. Focused on reforms in key areas and key enterprises, the Company implemented the regional integration of CINF and Changkan Institute, further enhanced corporate competitiveness.

¹ “1+3+6” reform work system: taking the deepening and upgrading actions of state-owned enterprise reform as the leading driver, the Company implemented three overall reforms in an in-depth manner (including the construction of excellent headquarters, the reform of survey and design enterprises, and the reform of construction enterprises), and pushed forward six special reforms in an orderly manner (including restructuring of project management system, reform of improving labour efficiency, construction of new type of management responsibility system, reform of scientific and technological innovation and digitalisation, the special action of scientific and technological reform, and the governance of distressed enterprises and reducing stresses for “two nons” and “two capitals”).



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Coordinate and push forward the evolution of business system. Focusing on reconstructing the core competence of design and construction enterprises, the Company solidly pushed forward the deep-level market-oriented reform led by the reform of the business system. We have further promoted the restructuring of the project management system, implemented the three-level management mode of “Company – Affiliated Enterprises – Project Departments”; integrated and set up the Overseas Business Division, which is responsible for the overall management of the whole level of overseas businesses, and realised the integrated management of the entire lifecycle from project development to project implementation.

We deepened reforms to enhance labor efficiency, continuously optimizing the corporate headquarters’ management model – shifting from a functional, bureaucratic structure to a business-oriented, value-creating entity. The comprehensive labor efficiency reform was implemented, streamlining organizational structures and workforce allocation. The transition was smooth and orderly, resulting in a 51.61% reduction in branches and departments across the Company and subsidiaries, and a 56.22% decrease in general administrative staff. The benefits of these reforms are gradually becoming evident.

Vigorously carry out the “integrated finance” treasury management reform. Taking “1+3” financial reform as the core, establishing a big financial concept of centralised management of funds, building an organisational structure around “one subject, one level of management”, reshaping the three control processes of capital budget, internal borrowing and projected total cost, realising direct management and control of engineering projects, improving the efficiency and effectiveness of financial management, giving better play to the professional role of financial lines, realising the transition from hierarchical control to centralised control, from the management of companies to the management of the projects, providing financial safeguard and support for the construction of a strong and established middle and back office of the Company.

Coordinate and implement the reform of remuneration incentive mechanism. To reconstruct a scientific and reasonable remuneration appraisal and incentive system, establish a job value assessment system and fully stimulate the vitality of the workforce. We have issued the Guidelines for Salary Management of Construction Enterprises and the Guidelines for Incentive and Restraint System, clarifying the composition of salaries and the ratio of fixed and floating salaries for personnel at various levels. We guided the construction enterprises to formulate various systems of remuneration, assessment and incentives, and set salaries based on posts, fully stimulated the vitality of the workforce. We implemented medium- and long-term share incentives, with 237 participants for the first grant of restricted shares.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Major Events

In March 2024, the Boffa Bauxite Mine Project in Guinea (overseas project) undertaken by the Twelfth Metallurgical Installation Company and the China Aluminum Ruimin Automobile Lightweight Aluminum Alloy Plate and Strip Production Line Project undertaken by the Twelfth Metallurgical Construction Company won the first and second batches of National Quality Project Awards from 2022 to 2023, respectively, awarded by China Construction Enterprise Management Association.

Six scientific and technological achievements, including “Key Technology and Application of Energy Saving and Carbon Reduction for Large-Scale High-Resistance Graphitization Furnace for Lithium Ion Battery Negative Material” of SAMI, “R&D and Application of Integrated Platform for Digital Delivery and Intelligent Operation and Maintenance for Aluminium Smelting” of SAMI, “New Technology and Application of Clean Recycling of Multimetallic-Based Solid Waste” of CINF, “R&D and Application of Short Flow Non-explosive Continuous Mining Technology and Equipment for Hard Rock Deposits” of CINF, “Development of Key Technology and Equipment for Cold and Rough Rolling Intelligent Rolling of Aluminium Sheet Strips” of CNPT, and “Key technology and application of soft ground investigation evaluation and dynamic reinforcement” of Kunming Survey and Design Institute, were awarded the First Prize of China Non-ferrous Metals Industry Science and Technology Award in 2023.

On 26 April 2024, a delegation of approximately 30 people composed of Guinean government officials and elites from all walks of life visited CINF for exchanges, aiming to gain an in-depth understanding of CINF’s advanced technologies in mining, management, environmental protection, etc., to help Guinea’s mining industry achieve sustainable development, strengthen exchanges between the two countries’ mining governments and enterprises, and promote cooperation between the two sides.

On 13 June 2024, the 2024 Non-Ferrous Metals Industry Construction Engineering Quality Supervision Work and Training for Creating Quality Projects and Project Observation Meeting was held in Kunming. The meeting awarded the second batch of Non-Ferrous Metals Industry Quality Engineering Awards for 2022-2023, with a total of 10 projects from Chalieco won awards, involving non-ferrous smelting and mining projects, new materials projects, other industrial engineering projects, civil construction projects and other fields.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

On 24 June 2024, the 2023 National Science and Technology Progress Award Ceremony was grandly held in the Great Hall of the People. The project of “Precise Control and Intelligent Automation System for Efficient Conversion of Non-ferrous Metallurgy” led by Central South University and participated by CINF won the Second Prize of State Scientific and Technological Progress Award.

On 3 July 2024, the 2024 China International Aluminum Industry Exhibition was grandly held at the Shanghai New International Expo Center. As a leading enterprise in the aluminum industry, Chinalco made a wonderful appearance with the latest research and development results of new technologies and processes in the aluminum industry. Chalieco showcased the large-scale aluminum oxide floating roasting furnace technology and 600kA ultra-large capacity aluminum electrolytic cell technology of SAMI, the comprehensive technology of safe control and efficient mining of the roof of sedimentary soft broken rock bauxite deposits of CINF, and the physical models of six-roller cold rolling mill, 2,300mm high-speed trimming machine and 1,000mm copper strip hot rolling mill of CNPT, as well as the “Dark Factory” and “CNPT Cloud” non-ferrous metal processing industrial Internet platforms; it also showcased the Jianchuan Comprehensive Exhibition Hall project of Sixth Metallurgical Company and the product model of Luoyang Olympic Sports Center.

In July 2024, the China Non-ferrous Metals Construction Association released the list of the 8th Non-ferrous Metals Industry Engineering Survey and Design Masters. A total of 7 non-ferrous metals industry engineering survey and design masters were selected, of which 4 were from Chalieco’s affiliated enterprises. Among them, Yin Chuanzhong from CINF was awarded the title of “Master of Engineering Survey in Non-ferrous Metals Industry”, ZHU Jianguo from CINF, LI Zhiguo from SAMI and ZHOU Fenglu from GAMI were awarded the title of “Master of Engineering Design in Non-ferrous Metals Industry”.

On 13 August 2024, the China-Laos Mineral Resources Sustainable Development and Comprehensive Utilization Forum and the Annual Meeting of the China Non-ferrous Metals International Capacity Cooperation Enterprise Alliance, co-organized by Chalieco, were successfully held in Vientiane, Laos. LI Yihua, rotating chairman of the alliance and secretary of the Party Committee and chairman of Chalieco, attended the meeting and delivered a speech.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

On 28 August 2024, the U.S. Engineering News-Record (ENR) released the 2024 “Top 225 International Engineering Design Companies” and “Top 150 Global Engineering Design Companies” rankings. Chalieco ranked 98th and 119th respectively on the two lists, ranking 12th and 21st respectively among the 20 and 22 Chinese companies on the list.

In September 2024, the China Non-ferrous Metals Industry Association released the 2024 annual innovation achievements in modernising the management of non-ferrous metal enterprises. Of the four achievements submitted by Chalieco, one won first prize and three won second prize: Shenyang Boyu’s “Construction of Science and Technology Innovation Management System under the Guidance of Green and Low-carbon Development” won the first prize; SAMI’s “Innovation and Practice of Collaborative Development Model of Overseas Business”, GAMI’s “Serving the Belt and Road Initiative to Deepen International Capacity Cooperation” and CNPT’s “Financial Management Application of ‘Amoeba’ Business Model for Enterprises” won the second prize.

In September 2024, the China Non-ferrous Metals Construction Association announced the evaluation results of engineering consulting, engineering survey and engineering design achievements in the non-ferrous metal construction industry in 2024, 164 projects completed by Chalieco’s SAMI, GAMI, CINF, CNPT, Kunming Survey and Design Institute, Kunming Non-ferrous Institute and Shandong Engineering, among other companies won awards, accounting for 25% of the total number of award winning projects. The number and quality of awards have increased significantly compared with previous years, fully demonstrating Chalieco’s technological advantages and professional strength in leading the development of the non-ferrous metals industry.

In September 2024, the China Engineering & Consulting Association announced the list of classic projects for engineering general contracting and engineering project management in the national survey and design industry in 2023. The Longhuai Sludge Storage Project (Phase I) of Guangxi Huayin Aluminum Co., Ltd., which was EPC general contracted by CINF, won this honor and is the only metallurgical project among them.

In October 2024, the US Engineering News-Record (ENR) released two lists: “Top 250 International Contractors” and “Top 250 Global Contractors”. Chalieco once again made the list, ranking 125th and 145th respectively, and ranked 38th and 46th respectively among mainland Chinese enterprises on the list.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

In December 2024, the China Non-ferrous Metals Industry Association released the list of winners of the 2024 Non-ferrous Metals Industry Science and Technology Awards, and 21 achievements of Chalieco were selected. Among them, there are 8 first prizes, representing an increase of 33% over the previous year; and 12 second prizes and 1 third prize.

In November 2024, SAMI signed the general contracting contract for the 350,000-ton green electricity aluminum project (Zahannur Aluminum Phase II) in Zahannur, Tongliao City, with a total contract amount of RMB2.799 billion.

On 26 November 2024, the release event of the list of industrial cultural heritage (mining industry) of central enterprises hosted by the Publicity Bureau of the State-owned Assets Supervision and Administration Commission of the State Council and undertaken by Chinalco was held in Beijing. SAMI's New China Aluminum Industry Technology Development Drawing Archives were selected.

In November 2024, Chalieco has been listed in the "ESG Pioneer 100 Index of Listed Companies affiliated to Central State-owned Enterprises" for two consecutive years, and won the "Science and Technology Innovation Pioneer Award in the ESG Golden Bull Award"; in December, Chalieco was selected as one of the "Top 20 Governance Enterprises in the Second Guoxin Cup ESG Golden Bull Award".

On 2 December 2024, the Non-ferrous Metals Society of China issued the "Notice on the Top Ten Advances in China's Non-ferrous Metals in 2023", and two scientific and technological achievements of Chalieco's "Complete sets of Technology and Equipment for Ultra-large Dual-Melting Pool Continuous Copper Smelting" and "Non-ferrous Metal Processing Industrial Internet Platform" were successfully selected.

On 3 December 2024, The 7th Central Enterprise Excellent Story Creation Exhibition and the first AIGC Creative Communication Works Collection and Exhibition Launch Event, organised by the Publicity Department of the State-owned Assets Supervision and Administration Commission of the State Council, in conjunction with People's Daily Online, the China Foreign Languages Publishing Administration, and the New Media International Communication Center, was held in Beijing. Sixth Metallurgical Company's work "Looking at Sixth Metallurgical Construction from an AI Perspective" won the Outstanding AIGC Picture Award.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

In December 2024, the China Association of Non-ferrous Metal Construction released the list of ministerial-level construction methods for the non-ferrous metals construction industry in 2024. 36 methods submitted by companies affiliated to Chalieceo were on the list.

II. INDUSTRY OVERVIEW OF THE COMPANY WITHIN THE REPORTING PERIOD

In 2024, under the strong leadership of the Central Committee of the Party, China's non-ferrous metals industry firmly grasped the main line of high-quality development, achieved an all-round improvement in scale, efficiency and competitiveness through deepening the structural reform of the supply side and strengthening the drive of technological innovation. The industry adhered to a development path that emphasises the coordination of supply and demand, green transformation and the safety of the industrial chain, and has shown strong resilience in stabilising growth, adjusting the structure and preventing risks. The output of bulk metals such as copper and aluminum continued to rise, and the total output of ten non-ferrous metals broke through historical highs. The demand for strategic metals such as copper, lithium and nickel in the field of new energy has had a significant driving effect. Breakthroughs were made in the development of strategic mineral resources. Domestic enterprises have significantly increased their ability to secure rights and interests in resources such as copper, bauxite and lithium through global deployment, especially in the field of bauxite development in Guinea, forming a scale advantage.

Investment in the industry has shown a trend of rapid growth, with the growth rate of fixed asset investment far exceeding the overall industrial level, reflecting the market's strong confidence in the transition to green and low-carbon development and the development of emerging fields. The structure of international trade continued to be optimised, with exports of aluminum and mid-to-high-end copper processing products remaining strong, assisting the stabilisation of global industrial chain supply chain. It is worth noting that the formulation of a coordinated development landscape of state-owned enterprises and private enterprises is accelerating. In the sub-sectors of aluminum oxide, electrolytic aluminum and aluminum processing, enterprises of different ownerships have achieved complementary advantages through differentiated positioning, and have jointly reinforced the basic capabilities of the industry. Strategic metal resources represented by gallium and germanium have played a unique role in ensuring the security of resources in key national sectors.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

In the construction industry, driven by policies such as the construction of public infrastructure for both normal and emergency use and urban renewal initiatives, fixed asset investment has formed an effective support, and the pace of the industry's transformation towards intelligence and greening has accelerated. Digital technologies such as BIM and the Internet of Things have been deeply integrated with industrialisation of construction, promoting the transformation of construction methods towards high efficiency and intensification. The proportion of lightweight materials such as aluminum alloys used in green buildings has increased significantly, forming a new paradigm for collaborative innovation between non-ferrous metals and construction engineering.

It is expected that the global energy transition and the upgrading of emerging industries will continue to release a rigid demand for strategic metals in 2025. Chalieco will base itself on the strategic goal of “dual carbon”, deepen the synergistic advantages of scientific and technological research and development and engineering design, focus on breakthroughs in key technologies such as green metallurgy and the recycling of renewable metals, and promote the application of low-carbon solutions throughout the life cycle in the field of construction engineering. The Company will further strengthen overseas resource development and capacity cooperation, participate in the high-quality construction of the Belt and Road Initiative, and inject new momentum into the sustainable development of the industry through technological innovation, model innovation and service innovation. In the new wave of industrialisation, Chalieco will continue to play a leading role in the industry chain, taking high-end, intelligent and green development as the main theme to lead the industry to build a more resilient and competitive modern industrial system.

III. BUSINESS OVERVIEW OF THE COMPANY FOR THE REPORTING PERIOD

The Company is a science and technology service enterprise that provides advanced non-ferrous metal technology, complete sets of equipment and comprehensive solutions for integrated services, capable of providing a full range of integrated technical and engineering design and construction services for various businesses in the entire non-ferrous metals industry chain. The Company's businesses mainly include design consulting, EPC project general contracting and construction and equipment manufacturing.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(I) Design consultancy business

Design and consultancy are the Company's traditional key principal business, covering the full process businesses of mining, ore dressing, smelting and processing in the non-ferrous metal industry, as well as engineering design in industries such as new energy, chemical and environmental protection, etc. The Company's advantageous technologies cover over 40 professional fields such as geological survey, process design, equipment research and development, digital intelligence, electrical automation, public facilities, environmental protection, engineering economy and technical economy, and have provided engineering design and consultancy services for over 2,000 key construction projects of the state and various industries as well as over 100 overseas projects. The key technologies of the Company's non-ferrous industry are at the leading level in China, and some of the core technologies have reached the international advanced level, and have been continuously upgraded iteratively. On the basis of continuously consolidating and expanding the traditional advantages in the non-ferrous metal industry, the Company continuously accelerates the business transformation and upgrading and structural optimization, seizes the important opportunities of green and low-carbon, digital and intelligent development in the non-ferrous metal industry, closely follows the development of the strategic emerging industries and the future industrial development, and pushes forward the continuous optimization of business model to create a new form of business of "technology +". The Company's principal customers are non-ferrous metal mining, smelting, processing enterprises, as well as construction enterprises from construction and other industries. According to the contract, the Company bears corresponding risks related to product design, quality, progress and others, and the service fees are generally determined with reference to national survey charging standards and market rate. With the Company's technological leadership in the non-ferrous metallurgical industry, the design consultancy business has contributed a relatively high profit margin to the Company's high-quality development.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(II) EPC general contracting and engineering business

The Company's engineering and construction contracting business covers metallurgy industry, housing construction, highways, building materials, electricity, water conservancy, chemical industry, mining, municipal utilities, steel structure, new energy and other fields, and geological surveys, building construction in the construction industry. The Company adopts a couple of engineering and construction contracting business modes, including EPC, E+P, E+C, P+C and EPCM, etc.. The Company gives full play to its technological advantages, advantages in the entire non-ferrous metal industry chain, advantages in the entire life cycle of engineering project construction and advantages in a complete range of non-ferrous metal categories and specialties, vigorously promote the EPC general contracting business, achieve coordinated development of the Company's affiliated design enterprises and construction enterprises, its business model has shifted from one-time project services to providing customers with products, services and integrated solutions for the entire life cycle, the entire industry chain and all professional fields, so as to achieve diversified profit models. This business segment usually settles and collects payments based on monthly progress or milestones, and advance payment (if any) is collected according to the contract. As investment in infrastructure and civil market business shrinks, the non-ferrous industry grows steadily, and the development of strategic emerging industries has brought about new opportunities. The development of strategic emerging industries such as photovoltaics, new energy vehicles and power batteries will drive new demand for non-ferrous metals. The Company's advantages in the industrial field are further revealed, and the settlement and profits of EPC general contracting and engineering business are effectively safeguarded.

(III) Equipment manufacturing business

Equipment manufacturing is a high-tech industry that the Company develops vigorously. The Company insists on independent technological innovation, and focuses on research and development of new process, new technologies, advanced materials and new equipment of non-ferrous metal, leading the direction of technology development of China's non-ferrous metal industry. The Company's equipment manufacturing segment mainly provide customized core metallurgical and processing equipment, environmental protection equipment, mechanical and electronic equipment, industrial automation systems and mine safety monitoring and emergency response intelligent systems. The Company's products are applied in the full industrial chain of non-ferrous metal, including mining, ore dressing, smelting and metal material processing. On the basis of adopting the general equipment sales model in the market, this business segment also gradually attempts to leverage on the advantages of our core technologies to expand our market share through investment-finance-build-operation models. In the next five years, central state-owned enterprises are expected to arrange large-scale equipment upgrades with a total investment of more than RMB3 trillion, which will bring great development opportunities for the technology upgrades and business expansion of the Company's equipment manufacturing business.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

IV. CORE COMPETENCE ANALYSIS IN THE REPORTING PERIOD

✓ Applicable ☐ Not applicable

(I) Technical and talents advantages

The Company has strong capabilities of scientific research and technical innovation, with 5 grade A design research institutes, 2 grade A survey and design research institutes and 3 large comprehensive construction and installation enterprises. Currently, the Company has 1 “National Engineering Research Center for Aluminum and Magnesium Electrolysis Equipment”, 1 “State-Local Joint Engineering Research Center for Energy-Saving and Environmental Protection Technologies in Aluminum Industry”, 7 “National Enterprise Technology Centers”, 1 “National Industrial Design Center”, 4 “Postdoctoral Research Workstations”, as well as 3 “National Model Enterprises for Intellectual Property Rights”, 1 “National Technology Innovation Demonstration Enterprise” and 2 “State-level New, Distinctive, Specialised and Sophisticated ‘Little Giant’ Enterprises”. The Company has an experienced professional and technical team, including 41 national and industrial level survey and design masters, 20 personnel enjoying special allowances from the State Council or provincial governments, and 5,785 professional and technical personnel of various types, including 420 full senior titles and 2,139 associate senior titles.

The Company focuses on the entire industrial chain including exploration and detection, mining, aluminum oxide, electrolytic aluminum and carbon for aluminum, heavy non-ferrous and rare metal smelting, non-ferrous metal processing, construction and strategic emerging industries, etc., as well as the key directions such as “dual carbon” governance, key process technologies and equipment in the non-ferrous industry, big data services and intelligent manufacturing, comprehensive resource utilization, municipal public services, etc. Guided by the “14th Five-Year Plan” science and technology landscape of the Company, we actively fulfilled our responsibilities and missions as a central state-owned enterprise, intensified the research and development of core technologies, and continuously strengthened our leading edge in science and technology.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

1. **We possess advanced mine technologies in the industry.** We have developed safe, high-efficient, green and low-carbon mining and processing technologies such as large-scale equipment for high-altitude and high-cold mines with temperatures below -20 Celsius degrees, altitudes exceeding 5000 meters and slopes exceeding 1,000 meters, long-distance and large-capacity belt conveyors, ecological restoration, safe mining of high and steep frost-thawed slopes, and mixed flotation processing of copper, lead and molybdenum, etc., we have built the world's highest open-pit mine, China's first high-altitude and high-cold large-scale environmentally friendly green mine and China's first high-altitude open-pit-to-underground mine, etc. We have developed green, low-consumption and low-cost mining technologies such as the comprehensive technologies for roof safety management of sedimentary soft broken surrounding rock bauxite deposits, the support and hoisting technologies for ultra-deep wells, green and efficient comprehensive utilization of complex materials such as copper, nickel and cobalt, and the safe conveyance and intelligent management and control of long-distance paste pipelines, etc., and we have built China's first deep shaft mine, China's first mixed shaft mine over 1,000-meter, China's highest hoisting speed vertical shaft mine, and China's largest tin polymetallic mine, among others. We have formulated a series of geological and mining safety technologies, including unmanned automatic safety inspection systems for major hazardous sources in mines, key technologies for intelligent early warning, disaster control and emergency response assessment of fine-grained tailings ponds, key technologies and intelligent equipment for precise detection, evaluation and prevention and control of karst area, as well as safe regulation and ecological restoration of high and steep mine slopes in plateaus.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
Mining	Comprehensive mineral resources exploration technology	<p>For different types of mineral deposits, a set of exploration methods and technologies has been formulated, mainly including large-scale geological mapping, airborne frequency-domain electromagnetic, earth-space transient electromagnetic, ground-based MT geomagnetic, three-component magnetic surveys in boreholes, pit transient electromagnetic, etc., which are three-dimensional, multi-dimensional and multi-means, and are coupled with geophysical exploration, geochemical measurements of rock and soil, three-dimensional modelling and three-dimensional digital mineral prospecting prediction, deep drilling engineering validation, among others. Relying on a variety of geophysical exploration methods and technologies such as gravity, magnetic method, electric method, etc., which we have mastered, and in combination with the research and development and manufacture of indigenous equipment, we have realised the three-dimensional, multi-dimensional and high-precision coupled detection by multiple geophysical exploration methods of metal and non-metal deposits by means of “air-earth wells” and “heavy magnetic and electric power”, so as to carry out in-depth dissection of deep ore bodies and geological structures, and has broken through the detection depth of less than 2,000 metres, with the detection accuracy reaching the leading level in the industry. We have formulated a set of mature and advanced high-difficulty drilling and construction technologies, such as large depth vertical holes, large depth and large angle inclined holes, forward horizontal prospecting, and large calibre and high vertical filling holes, meeting the needs of deep-earth resource exploration and development.</p>



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Large geotechnical digital intelligent system	By utilising digital achievement gene storage technology, a deep mining and analysis system for regional geotechnical engineering has been formulated. Through the dynamic AI intelligent optimization technology of tailings pond stability, real-time dynamic stability analysis and early warning of tailings ponds have been realised.
	Integrated smart mine management platform	This system seamlessly integrates digital engineering deliverables, enabling 3D visualisation of mine resources and environmental data down to individual workfaces and equipment components. It consolidates all information into one single platform, providing real-time monitoring of rock stress-strain, hydrogeological conditions, atmospheric data, and other critical parameters, with early warning and forecasting capabilities.
	Online SAR ground-based engineering hazard intelligent monitoring radar system	This self-developed and fully proprietary submillimetre-accurate intelligent ground-based synthetic aperture radar (GB-SAR) is designed for continuous online monitoring of mine safety risks, including high steep slopes in open pits, slopes of spoil dumps, tailings dams and geological landslides. It also supports real-time early warning and emergency monitoring, providing scientific basis for the mitigation of safety hazards.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Separation technology for low-grade and complex difficult-to-sort ores	Our lithium pyroxene low-temperature sorting technology and pharmaceutical activation technology, through which effective sorting of lithium pyroxene at 5-10℃ can be achieved, reducing the energy consumption of heating through floating processing. Our lithium mica high no desliming sorting technology could improve the grade of lithium mica concentrate by increasing the dispersion of the ore slurry, and at the same time obtain high-grade lithium mica concentrate through the agent with high selectivity, reduce the cost of lithium extraction from the mica. Our low-grade bauxite washing technology could achieve efficient sorting of fine-grained bauxite through the new washing process and equipment, improving the recovery rate of bauxite.
	Key technology of management and remediation of contaminated sites	We have developed the theory of spatial and temporal evolution of compound heavy metal pollutants in copper resource utilisation sites, and with the guidance of this theory, the scope of the polluted sites can be defined with the assistance of means of exploration; in view of the diversity and complexity of heavy metal pollutants in the polluted sites, a combination system of heavy metal remediation technologies under various influencing factors is created, and different combinations of solidification and stabilisation remediation technologies and phytoremediation technologies are used to carry out joint remediation, enhancing the remediation effect and long-term stability of heavy metal polluted sites.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Complex terrain tailings storage system technology	For the key technology of high pile dam for fine viscous grain tailings, an innovative multi-point centralised grid release — waste rock joint dam construction process was proposed for the first time; the tailings deposition principle and consolidation mechanism under different dam construction methods and different concentrations were clarified; the issues of poorer physico-mechanical indexes of fine-grained tailings, poorer water permeability, longer consolidation time and unfavourable to the stability of dams, among other issues were solved; and the overall technology has reached the international leading level.



Comprehensive exploration technology for mineral resources



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

2. **We possess world-leading metallurgical technologies. In terms of aluminum electrolysis**, a series of electrolytic technologies of 180kA, 280kA, 320kA, 350kA, 400kA, 500kA and 600kA have been successively developed, promoting the Chinese technology of large-scale aluminum electrolysis cells in China to go global; the first ultra-fine droplet horizontal desulfurization equipment in the industry could reduce power consumption per ton of aluminum by 30% compared to traditional desulfurization devices. It has been promoted and applied in a number of electrolytic aluminum enterprises, with leading international technical indicators; **in terms of aluminum oxide**, we have developed a complete set of technologies for a 1.4 million tonne/year ultra-large high-temperature Bayer process aluminum oxide production line; we have developed key technologies for improving the quality and reducing the consumption of alumina produced from gibbsite minerals, so as to create a complete industrial chain for the magnetized roasting of high ferrous bauxite minerals; we have developed organic matter removal technologies suitable for different aluminum oxide plants, forming a series of supporting technologies for organic matter removal processes; we have pioneered the domestic technology of converting red mud disposal sites from semi-dry, dry, or wet methods to dry methods. **In terms of copper, lead and zinc smelting**, we have designed China's first single-set 400,000-ton melting pool copper smelting project, we have designed China's first lead-zinc combined smelting project with flash-speed lead smelting in conjunction with wet zinc smelting by boiling and roasting, and the world's first 300,000-ton zinc smelting project by oxygen pressure leaching; we have formulated advanced technologies for the treatment and protection of "three wastes" in the copper, lead and zinc industries, and achieved the reduction and harmless disposal of lead and zinc smelting slag. **In terms of titanium smelting**, the multi-polar magnesium electrolysis cell technology we have developed based on the titanium-magnesium combined production process has reached the international leading level. **In terms of carbon**, technological achievements have been developed such as the whole process of high-efficiency adsorption and purification technology for kneading and forming asphalt smoke, high-efficiency incineration technology for G/ETO asphalt smoke, and automatic online spraying equipment for anode anti-oxidation coatings. Based on technologies such as machine vision and machine learning, an inspection system for the surface quality of anode components has been developed to replace manual labor, to carry out online automatic detection of the surface quality of anode components and connect with the chain system, so as to realize automatic classification and diversion of anode component maintenance treatment.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
Smelting	Horizontal desulphurisation of flue gas by ultrafine droplet electrolysis technology	Changing the traditional vertical desulphurisation tower into horizontal desulphurisation equipment, changing the internal flow field to achieve ultra-fine liquid droplets; inventing collision ejection and droplet refinement technology to significantly improve the efficiency of wet desulphurisation and reduce energy consumption; developing a new technology of filtration purification - flue evaporation wastewater recycling, which achieves high efficiency of dust removal and mist elimination, as well as water recycling; and modular structure and corrosion-resistant material are applied to the horizontal complete set of equipment, realising fast and safe construction. The degree of technological innovation is high, and the overall technology has reached the international leading level.
	Energy-saving and long-life aluminium electrolytic cathode manufacturing technology and equipment	We have pioneered in energy-saving and long-life aluminium electrolysis cell cathode manufacturing technology and equipment. We developed non-linear heating and pig iron casting process matching different cathode structures and materials, which enhances the structural safety of cathode group and improves the operating life of electrolytic cell; we developed multi-temperature band synergistic strengthening and precise control technology, which solves the issue of uneven distribution of cathode carbon preheating temperature, and effectively reduces the operating energy consumption of electrolytic cell; we developed wide cathode synchronous mobile gas preheating equipment with a wide range of applicability, safety and reliability, and convenience in transportation, the overall technology has reached the international leading level.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Intelligent sample delivery equipment & control system	This equipment and system automates sample transportation, provides real-time workshop data, and delivers instant updates via a dedicated app. It effectively resolves issues in aluminium electrolysis production such as low sampling efficiency, delayed data transmission, high labour intensity, and occupational safety risks. The system enables real-time transmission of test data, with automated sample delivery speeds of ≥ 20 m/s.
	Controllable shunt-based aluminium electrolytic cell baking & safe start-up system	This system ensures uniform current distribution across cell columns during the electrolytic cell's start-up and baking process, stable and controllable cell voltage, and improved baking efficiency and quality. It achieves grade 4 or higher zonal current balancing, limits start-up surge voltage to ≤ 5 volts, and extends shunt plate service life to ≥ 500 cycles.
	Key technology for quality improvement and consumption reduction of aluminum oxide production from Gibbsite ore	Aiming at the issues of two-stage decomposition of aluminum oxide, salt discharge of evaporation mother liquor and heat energy utilisation of the whole process, we have developed the two-stage decomposition technology of front purification type, the technology of simultaneous recovery of valuable metals by removing oxalate by sidestream crystallisation of evaporation mother liquor, and the technology of high-efficiency comprehensive utilisation of multi-stage energy in terms of fluid heat and potential energy. Such technologies could obviously reduce the heat energy consumption, power consumption and water consumption of aluminum oxide production, improve product quality, and improve the efficiency of ore resource utilisation. It covers aluminum oxide production process simulation, purification and crystallisation, energy gradient matching technology group, could effectively recover the valuable metal vanadium in bauxite mine resources and realise the gradient utilisation of resources, reaching the international leading level.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Multi-parameter balance big data intelligent control technology for aluminum electrolysis cells	On the basis of establishing the optimal relationship between “static balance” and “current efficiency” of the aluminum electrolysis cells, the “dynamic balance”, “furnace type”, “aluminum oxide concentration”, “superheat level” and “noise level” of aluminum electrolysis cells can be monitored and controlled at real time by using the data generated from offline, online and cloud computing as control feedback. At the same time, it makes use of big data analysis technology to intelligently identify the type of furnace chamber of the electrolysis cell, realizing closed-loop control of aluminium electrolysis production through the combination of three dimensions of “standardization, intelligence and informatization”, which elevates the level of management and control of production of aluminium electrolysis cells to a new height, and effectively improves the current efficiency and reduces power consumption, reaching the international leading level.
	Integrated technology for consolidated digital delivery and operation and maintenance of aluminium smelting	By applying technologies such as 3D digital design, digital assisted construction and digital delivery, a virtual digital factory based on a 3D model is realized. Through data exchange between the 3D model and intelligent perception, PCS, MES and other equipment and systems, integrated factory construction and operation and maintenance are achieved, providing high-quality data assets for the operation of smart factories.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Zinc smelting numerical simulation & control optimisation technology	This technology performs numerical simulations of temperature, concentration, and velocity fields in key smelting equipment, including flash furnaces, waste heat boilers, oxygen-enriched side-blown furnaces, and gas-liquid two-phase flow fields in high-pressure autoclaves (e.g., oxygen pressure leaching). Combined with process flow simulations, it provides deeper insights into physical and chemical reactions during smelting, enabling optimised production for higher efficiency and product quality. Applied in Western Mining's 100 kt/a Zinc Oxygen Pressure Leaching Project, it resolved challenges such as "direct zinc leaching with synchronous iron removal" and "energy-controlled cooling and depressurisation of high-temperature slurry in high-altitude regions".
	Intelligent copper-lead-zinc smelting equipment	Addressing low productivity, harsh (high-temperature) environments, poor automation, labour-intensive operations, safety risks, and maintenance difficulties in electrolysis, casting, and warehousing for Cu-Pb-Zn smelting, CINF integrated robotics, image recognition, AI, and data processing to develop a suite of intelligent smelting equipment. Deployed at Hulunbuir, Yuntong Zinc, Western Mining, Danxia Smelter, Guangxi NFS, Sichuan Shimian, Jiangxi Copper, and Sihuan Qiansheng, this technology has since expanded from lead/zinc to tin, bismuth, indium, and heavy-metal solid waste recycling, pioneering new circular economy pathways for resource utilisation.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Aluminum smelting smart factory technology based on the 5G industrial Internet	<p>This technology has mapped out a blueprint for upgrading and transforming the distribution of technologies through the overall architectural design of a one-stop smart factory. Based on the concept of intelligent and green development, it relies on a 5G industrial private network and integrates technologies such as BIM, digital twins, expert knowledge bases and big data mining and analysis to make data from all aspects of production and management visible, manageable and controllable. This creates a green, energy-saving, and intelligent production system that allows owners to save manual labour, money and worry. A “5G+BIM+smart factory+dual carbon” template applicable to the aluminum industry has been created and is being actively replicated and promoted within the industry. It responds to national energy-saving policies, assists enterprises achieve dual-carbon targets, and promotes the green and high-quality development of the aluminum industry.</p>



Integrated technology and equipment for manufacturing energy-efficient, long-life aluminum electrolysis cell cathodes



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)



Multi-parameter balance control technology and equipment for aluminum electrolysis cells

3. **We own the one and only non-ferrous metal processing design and research institute in China, and we are a comprehensive enterprise integrating various aspects in relation to non-ferrous metal, including industry planning, engineering design, equipment development, scientific research and development, industrialization of results and general contracting, etc.** Our “R&D of Intelligent Cold Rolling Key Equipment and Control Technology for Wide Aluminum Sheets and Bands” (寬幅鋁板帶智能化冷軋關鍵裝備及控制技術研發) project was awarded the first prize of Innovation Achievement in Industry-University-Research Cooperation in China (中國產學研合作創新成果一等獎). We have developed the six-roller aluminum strip cold rolling mill equipment of 2,800 mm and 2,300 mm, high-speed trimming technology for aluminum alloy strips, and energy-saving and environmentally friendly full oil recovery technology for aluminum rolling mills, and made dozens of breakthroughs in key core technologies, which filled the gaps in domestic technologies and equipment. Our indigenous developed technologies and equipment are exported to some 20 countries and regions in Asia, Europe, Americas and Africa.

Sector	Name of Technology	Brief Introduction of Technology
Processing	Non-ferrous metal processing and finishing technology and equipment	The equipment includes bending and straightening unit, high-speed cutting unit, surface alkali washing unit, among others, of which the self-developed bending and straightening unit is a mature product with unique technical solution and high degree of automation, the production process and emissions will not cause harm or pollution to the environment. At the same time, the production operation has low labor intensity, is safe and reliable, and has reached the international advanced level, solving the current demand for high-quality product surface quality and large production capacity after the substantial expansion of aluminum processing capacity.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Aluminium strip and foil rolling technology and equipment	In response to the increasing demand for aluminum plates, strips and foils and the current situation of high prices and continued monopoly of foreign high-end equipment, we have developed a variety of series of cold rolling and hot rolling mills, including 2,800mm six-roller aluminum strip cold rolling mill, 3,300+2,800 hot rolling mill, etc., with breakthroughs in many core technologies. The comprehensive performance has reached the international advanced level, and the comprehensive competitive advantage is obvious.
	Hot & cold rolling technology and equipment for copper sheet and strip	Our self-developed two-roll copper strip reversible hot rolling unit realises the maximum cast weight of hot rolling billet of 9,700kg, maximum width of strip billet of 650mm, maximum rolling speed of 240m/min, and maximum coiling speed of 120m/min with large under-pressure, fast, high-efficiency and controllable rolling, and ensures that strips are rolled and quenched in quenching and solidification before the target final rolling temperature through 7 or 9 passes of high-speed and fully-automatic rolling, thus solving technical difficulties such as fast temperature drop of strip and strip cracking, and realised the localization of key equipment for copper alloy strip rolling.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Aluminium/ copper strip surface defect grading & optimisation system	This system utilises machine vision, deep learning algorithms and AI modelling to automatically perform online detection, localisation, classification and alerting of surface defects on metal strips. Capable of completing defect identification, positioning and feature-matching classification in just 0.1 seconds, the system achieves detection speeds exceeding 400 metres per minute, with defect detection and resolution rates reaching 95% and 90%, respectively. For instance, when implemented on No. 6 air cushion furnaces, it delivers annual benefits of approximately RMB1.46 million. The system effectively addresses challenges such as low inspection efficiency, inconsistent quality, difficult defect classification and delayed feedback, enabling practical application of AI models in production. It enhances quality management guidance for both target equipment and upstream processes while improving product yield rates.
	Industrial non-ferrous metals processing internet platform	Built on industrial internet architecture, this highly integrated, stable and agile production line integration system delivers comprehensive digital awareness across production, quality, equipment, energy, logistics and safety functions for non-ferrous metals processors. The platform supports various specialised applications including equipment manufacturing production control, quality management, energy efficiency optimization, safety production and supply chain coordination.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	“Dark Factory” technology for heat treatment workshop based on Internet of Things	A series of work tasks such as the remote precise positioning and control of the stacker, the automatic operation of the annealing furnace, the precise loading and unloading of unmanned vehicles, the development of an intelligent logistics central control system, and the development of an intelligent logistics management system are completed using the 5G network. This seamlessly connects with the factory manufacturing implementation system, enabling automatic receipt of process tasks, automatic transfer of materials, automatic issuance of production processes, and automatic feedback of implementation results. The target of 24-hour uninterrupted unmanned operation of the heat treatment process workshop has been achieved, reducing labor intensity, reducing the number of personnel, and improving production efficiency and product quality.



Development and application of six-roll cold rolling equipment for 2,800mm wide high-precision aluminium alloy sheet and strip



Key technology and equipment development for the 3,300/2,800 twinstand aluminum plate and strip hot rolling mill (1+1 production line)



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

4. We continue to develop and innovate by focusing on new industries and new fields.

Promote the digital transformation of non-ferrous metal mining, smelting, processing and other fields, and technologies such as the greater geotechnical digital intelligence system, electrolytic cell control technology, aluminum electrolytic cell control system, automatic welding of anode guide rods, Internet platform for the non-ferrous metal processing industry, geological disaster monitoring system and MES have been widely applied to create a new model of digital delivery. A number of digital intelligent system construction and application demonstration projects have been implemented, such as Guangxi Huasheng, Yunnan Shenhua, Baoaluminum Huasan, etc. We continue to expand into emerging industries and cultivate new profit growth points around new energy battery material preparation technology, lithium extraction from salt lakes, lithium extraction from lithium mica, and new energy negative electrode materials.

Sector	Name of Technology	Brief Introduction of Technology
New industries and new fields	New technology for clean recycling of valuable components of waste power batteries	It was included in the National Green Technology Promotion Catalogue and won the first prize of the China Non-ferrous Metals Industry Science and Technology Award in 2023. The high-efficiency and clean recovery of valuable components in waste power batteries has been achieved, with a black powder recovery rate of more than 97%, and the recovery rate for nickel, cobalt, manganese, and lithium of more than 98.5%, 98%, 98%, and 90%, respectively. Compared with traditional nickel, cobalt, and manganese mineral metallurgical extraction technology, it could significantly reduce carbon emissions and has significant economic and social benefits.
	Salt lake lithium extraction technology	The most suitable process route can be selected according to the different properties of the salt lake, and the investment, cost and operation can be optimised from the perspective of the whole process, reduce the consumption of auxiliary materials and improve the thermal efficiency. A series of specialised equipments have been developed and patents have been applied for high-efficiency lithium extraction, forming the ability to supply complete sets of equipment integrated with the process and ancillary equipment.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Sector	Name of Technology	Brief Introduction of Technology
	Distributed intelligent energy application technology and equipment	Horizontally, it realises the “multi-source complementarity” of electricity, gas, heat and renewable energy, and vertically, it realises an energy system with the characteristics of highly coordinated links of “source-network-load-storage”, two-way interaction between production and consumption, and a combination of centralisation and distribution. The energy-saving and carbon-reducing benefits of the system are obvious, and in the context of carbon peaking and carbon neutrality, there is enormous market space for application of this technology in the construction or renovation of industrial parks and large factories and mines and integrating energy systems.



Distributed intelligent energy
application technology and equipment



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(II) “Triple Full” advantages

The Company is an industry-leading engineering technology service provider covering the full range of metal categories, the entire industrial chain and the entire life cycle of projects, i.e., its business domain covers all metal disciplines of non-ferrous light metals, heavy metals, precious metals, rare and scattered metals, quasi-metals and ferrous metals; its technology covers the entire industrial chain of resource exploration, mining, dressing and smelting, processing and manufacturing, metal recycling and the integrated utilization of resources in the entire process; and its business format covers the entire life cycle of engineering from surveying, consulting design, construction and building, operation and maintenance services, etc. Currently, we are focusing on the non-ferrous metals and advantageous industrial sectors, and we are committed to building ourselves into a world-class technology and service enterprise that provides comprehensive solutions for non-ferrous metals, including advanced technologies, complete sets of equipment and integrated services, providing comprehensive integrated technologies and engineering design and construction services for various businesses in the entire non-ferrous metals industry chain with our absolute leading technological advantages, qualification advantages, talent advantages, and full industry chain advantages in the industry.

(III) Qualification advantages

The Company has various qualifications, 408 in total. Among them, there are 1 Class A comprehensive engineering design qualification, 1 Class A engineering design industry qualification, 11 Class A engineering design professional qualifications, 2 Class A comprehensive survey qualifications, 2 super-grade general contracting qualifications, 1 super-grade general contracting qualification for metallurgical engineering, 4 Class A engineering supervision qualifications, and 7 Grade A credit ratings for engineering consulting units.

(IV) Domestic market advantages

With the absolute leading technical advantages, talent advantages, qualification advantages, whole industry chain advantages and internationalization advantages in the non-ferrous metal industry, the Company has provided all-round comprehensive technical and engineering design and construction services for all kinds of businesses in the whole non-ferrous metal industry chain, and has made positive contributions to the construction of a resource-saving and environment-friendly society. The affiliated enterprises under the Company are the backbone enterprises of the industry, and have participated in the planning, scientific research, design and engineering construction of more than ten domestic and overseas industries since the founding of new China, including metallurgy, transportation, municipal services, construction, power, petroleum, chemical industry and military industry, such members created more than one hundred “China’s firsts” and “world’s firsts”, and are the creator of China’s non-ferrous metal industry, the maker of industry standards and the leader of non-ferrous engineering technology.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

The Company's domestic business focuses on design consultation, general contracting of metallurgical projects, construction of urban infrastructure and public utilities, and ecological environment management, including metallurgy, transportation, housing, municipal services, building materials, power, water conservancy and chemical industry, etc. The Company has rich experience and remarkable achievements in these fields, with more than 500 projects won the Luban Award for Construction Project in China (National Quality Project), the Tien-yow Jeme Civil Engineering Prize, the National Award for Quality Project, the Gold Award of China's Construction Engineering Steel Structure and the Provincial and Ministerial Quality Project, among others. The Company is geographically distributed in more than 30 provinces, municipalities and autonomous regions across the country.

(V) Overseas markets advantages

The Company implements the "technology + international" strategy in an all-round manner, fully relies on the "triple full" advantages and manages all levels of overseas business in accordance with the organizational implementation model of "headquarters + affiliated enterprises + overseas institutions", achieving integrated management of the entire life cycle from project development to project implementation, and has exported technology and equipment to dozens of countries and regions such as Brazil, Vietnam, Indonesia, Italy, Saudi Arabia, Kazakhstan, Guinea, etc. It has also contracted and implemented large-scale EPC general contracting projects for major customers such as Vinacomin Group, Inalum and PT Antam Tbk, etc.; In the Indonesian market, the Company continues to deeply engage large customers such as Inalum and PT Antam Tbk, etc., undertaking and implementing several EPC general contracting projects for aluminum oxide and electrolytic aluminum transformation. The Company has 100% share in the Indonesian market for electrolytic aluminum design, ranks first in the market for aluminum oxide bank-level feasibility studies and EPC general contracting, and has a strong competitive advantage in aluminum smelting and nickel smelting construction. Globally, it has established cooperative relationships with enterprises, scientific research institutes, and universities of more than 40 countries and regions; it has laid out its operations and set up local new branch offices in countries such as Guinea, Peru, among others; and it has participated in a number of overseas special forums, international mining forums and international production capacity cooperation conferences, etc.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

V. MAIN OPERATIONS WITHIN THE REPORTING PERIOD

In 2024, the Company recorded an operating revenue of RMB24.003 billion, representing a year-on-year increase of 7.46%. Net profit attributable to shareholders of the listed company was RMB221 million, achieving a turnaround compared with corresponding period of the preceding year primarily attributable to the reasons below:

- (I) During the year, the Company has accelerated the transformation and upgrading process, stayed focused on non-ferrous metals and advantageous industrial fields, and made every effort to promote structural optimization and adjustment. Newly signed industrial contracts increased by 42.66% year-on-year; overseas market development achieved a rise in both quantity and quality, with newly signed contracts increasing by 65.09% year-on-year; led by design enterprises, the Company gave full play to our advantages in science and technology leadership and across the industrial chain, and newly signed EPC contracts increased by 67.08% year-on-year.
- (II) During the year, the Company has further improved the quality of project performance, implemented extreme cost control measures throughout the project. We have also deepened the reform of labor efficiency, with management costs further reduced resulting in cost reduction and optimization.
- (III) During the year, the Company has stepped up efforts in the management and control over the recovery of receivables, focused on sales collection for the current period with certain long aging receivables settled, resulting in a year-on-year decrease in impairment loss provided for the year.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(I) Principal Business Analysis

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

(Expressed in RMB'000)

Item	Current	Amount for the corresponding period of last year	Change (%)
Operating revenue	24,003,255	22,337,171	7.46%
Operating cost	21,072,860	20,379,851	3.40%
Sales expenses	133,158	141,094	-5.62%
Administrative expenses	987,166	1,134,733	-13.00%
Finance expenses	194,319	259,262	-25.05%
R&D expenses	961,032	943,309	1.88%
Net cash flows from operating activities	-2,694,318	722,665	-472.83%
Net cash flows from investing activities	662,389	94,597	600.22%
Net cash flows from financing activities	1,835,925	-4,412,289	-141.61%

Explanation of reasons for changes in operating revenue: The Company spared no efforts to promote the optimization of our business layout and structural adjustment, adhered to the science and technology leadership of business expansion, continued to strengthen the leading role of engineering technology design and technical services, continuously increased the proportion of EPC general contracting and "Technology+" business, significantly improved overseas business, further promoted the optimization and development of the Company's business structure, and achieved a significant year-on-year increase in annual operating income.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Explanation of reasons for changes in operating cost: Due to the cost increases with revenue.

Explanation of reasons for changes in sales expense: Decreased slightly year-on-year, no material change.

Explanation of reasons for changes in administrative expense: The Company has deepened its labour efficiency reforms, which have resulted in cost reductions and a year-on-year reduction in management expenses.

Explanation of reasons for changes in finance expense: The Company optimised its financing structure, resulting in a decrease in interest expense year-on-year, while foreign exchange gains increased year-on-year due to the impact of the appreciation of the US dollar.

Explanation of reasons for changes in R&D expense: The Company insisted on technology leadership and strengthened its investment in research and development, which resulted in a year-on-year increase in R&D expenses.

Explanation of reasons for changes in net cash flow from operating activities: The Company paid project payables which have fall due, and operating cash outflows increased year-on-year.

Explanation of reasons for changes in net cash flow from investing activities: During the year, the matured structured deposits were recovered, and the cash flow from investment activities increased year-on-year.

Explanation of reasons for changes in net cash flow from financing activities: The Company's financing scale increased during the Current Reporting Period, but it remained within a reasonable range; it repaid US\$350 million in perpetual bonds in the same period last year, and there was no such business in this period.

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

☐ Applicable ☒ Not applicable



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

2. Revenue and cost analysis

✓ Applicable ☐ Not applicable

The Company achieved operating revenue of RMB24.003 billion in 2024, representing a year-on-year increase of 7.46%, which is primarily attributable to the full commitment of the Company during the year to advancing the optimisation of its business layout and structural adjustments. It has consistently adhered to a technology-driven approach for business expansion, continuously strengthening the leading role of engineering design and technical services. Efforts have been made to steadily increase the proportion of EPC turnkey projects and “technology+” businesses, with a notable rise in overseas operations, further promoting the optimisation and development of the Company’s business structure. Consequently, there has been a significant year-on-year increase in annual revenue. The Company’s business scope encompasses design consulting, EPC project general contracting and construction, and equipment manufacturing. In 2024, revenue from the design consulting business increased by 24.14% year-on-year, EPC turnkey contracting and construction business by 4.7%, and equipment manufacturing business by 18.66%.

The business scope of the Company covers China, Indonesia, Turkey, Italy, Laos, DRC, Guinea and other countries and regions.

(1). *Principal business by sector, product, geography and by sales mode*

(Expressed in RMB'000)

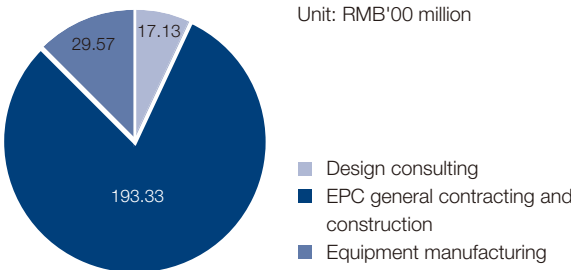
Principal business by sector						
Sector	Operating income	Operating cost	Gross margin (%)	Changes in operating revenue over the previous year (%)	Changes in operating cost over the previous year (%)	Changes in gross margin over the previous year (%)
Design consulting	1,712,743	1,198,138	30.05%	24.14%	20.18%	Increased by 2.31 percentage point
EPC project general contracting and construction	19,333,436	17,421,284	9.89%	4.70%	1.18%	Increased by 3.13 percentage point
Equipment manufacturing	2,957,076	2,453,438	17.03%	18.66%	13.32%	Increased by 3.91 percentage point
Total	24,003,255	21,072,860	12.21%	7.46%	3.40%	Increased by 3.45 percentage point



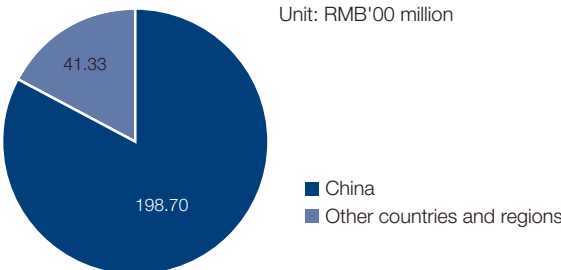
SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Principal businesses by region						
Region	Operating income	Operating cost	Gross margin (%)	Changes in operating revenue over the previous year (%)	Changes in operating cost over the previous year (%)	Changes in gross margin over the previous year (%)
China	19,870,348	17,478,628	12.04%	4.79%	0.33%	Increased by 3.09 percentage point
Other countries and regions	4,132,907	3,594,232	13.03%	22.48%	21.46%	Increased by 0.73 percentage point
Total	24,003,255	21,072,860	12.21%	7.46%	3.40%	Increased by 3.45 percentage point

Operating revenue by segment



Operating revenue by region



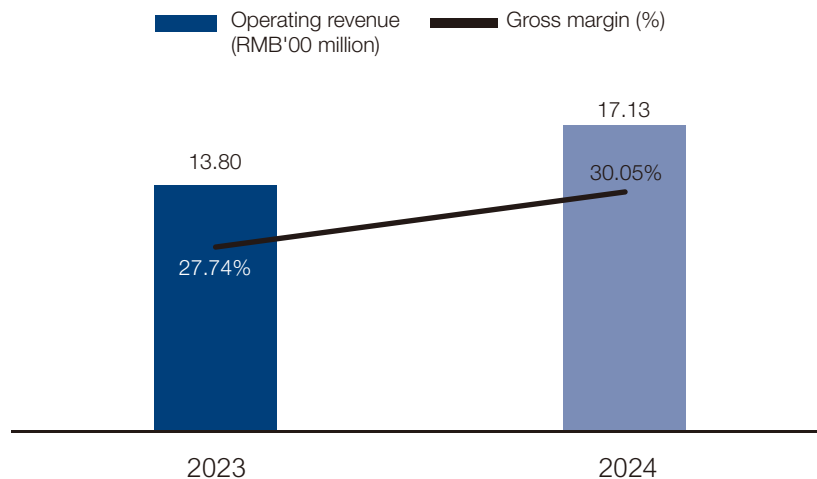
Principal business by sector, product, geography and by sales mode



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

① Design consulting business

Revenue and gross margin of the design consulting segment



In 2024, the Company focused on the deployment of major projects around national strategies and market demand, and we achieved breakthroughs in a number of industry-leading core technologies in areas such as mining development, non-ferrous metal smelting, and processing, maintaining its leading position in the industry. The volume of newly signed and ongoing orders in the design consulting business saw a significant increase. During the year, the business generated revenue of RMB1.713 billion, an increase of RMB333 million compared to the previous year. After covering the fixed costs of this business segment, gross profit margin increased by 2.31 percentage points compared to the previous year.

The Company's design entities remained steadfastly focused on the non-ferrous industry. Through continuous advancements in technological research, development, and innovation, they maintained a leading technological edge and steadily increased their market share in design consultancy services. Simultaneously, they strengthened and expanded the industrialisation of scientific and technological achievements, while fully advancing the "Technology+" business system. The objective was to build a scalable "Technology+" business segment, transitioning to a diversified, long-cycle sustainable revenue model via "Technology + Services." This strategic approach has made a significant contribution to the Company's high-quality development, yielding a robust profit margin.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

During the Reporting Period, SAMI adhered to the development mindset of “becoming more refined, stronger and better”, focused on expanding high value-added businesses, and continued to enter the new tracks and new markets. Design consultancy income increased year-on-year. GAMI successfully obtained the qualifications of engineering consulting metallurgical Grade A and construction credit Grade B, and assisted in the signing of more than 20 consulting contracts. The value of design consultancy contract of CINF exceeded RMB700 million, hitting another record high. CNPT signed new consulting and design contracts of RMB276 million, with significant increases in contract quality and expected profit margins.

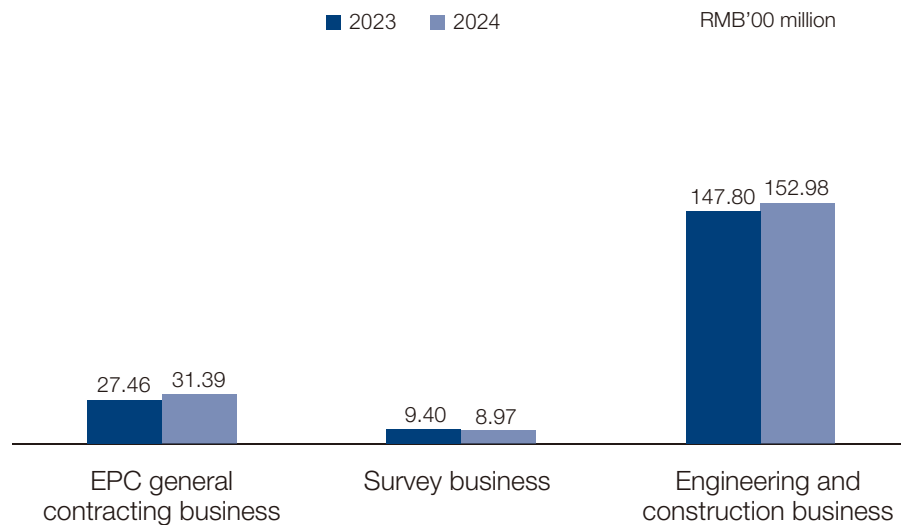
During the Reporting Period, the Company’s subsidiaries focused on increasing technological innovation, effectively promoting technological progress in the industry and the transformation and development of Chalieco. SAMI, in joint research with Peking University and other universities, jointly launched revolutionary new technologies such as superfine droplet wet desulfurization technology and PSA carbon capture, accelerating the upgrading and replacement of environmental protection technologies in the aluminum industry. GAMI was granted 62 patents and applied for 3 international patents throughout the year, and 3 new leading standards were compiled. The “Precise Control and Intelligent Automation System for Efficient Conversion of Non-ferrous Metallurgy” of CINF won the second prize of the National Science and Technology Progress Award, and “Clean Recycling Technology for Valuable Components of Waste Power Batteries” was included in the “National Green Technology Promotion Catalogue (2024)”. Kunming Non-ferrous Institute successfully established the “Kunming Non-ferrous Institute Branch of the National Engineering Research Center for Vacuum Metallurgy” national research platform. In the 2024 ENR “Top 225 International Engineering Design Companies” and “Top 150 Global Engineering Design Companies” lists, Chalieco ranked 98th and 119th respectively, and ranked 12th and 21st respectively among the 20 and 22 Chinese companies included in the list.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

② EPC project general contracting and construction

Operating revenue of the EPC general contracting and construction business



In 2024, the Company spared no effort to expand its EPC business and specialised markets, leveraging its technological leadership and industrial chain advantages to systematically enhance its turnkey contracting marketing capabilities. The EPC turnkey contracting and construction business achieved revenue of RMB19.333 billion, representing an increase of RMB868 million year-on-year. The Company thoroughly implemented a three-tier project management system encompassing the “Company – Subsidiaries – Project Department”, and adopted multiple measures to improve project delivery quality. It continuously strengthened the “two systems” of projects and implemented detailed cost control throughout the entire project lifecycle. As a result, gross profit margin for this business segment reached 9.89%, an increase of 3.13 percentage points year-on-year.

Leveraging its comprehensive technical expertise across all categories of non-ferrous metals, the entire industry chain, and the full lifecycle of construction projects, the Company has developed productive services and businesses encompassing mining, mineral processing, smelting, and processing. Guided by technology and supported by its core technical strengths, the Company capitalised on the expertise of its design institutes and construction enterprises to build EPC contracting capabilities centred on technology. Total value of newly signed EPC contracts reached RMB10.796 billion, hitting a record high and making a significant contribution to the Company's revenue.

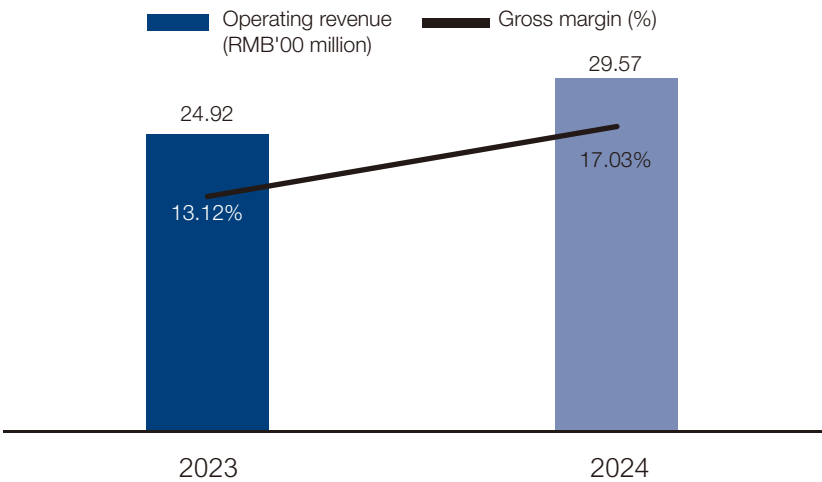


SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

During the reporting period, the Company adhered to its principles of centralised management, tiered accountability, autonomous operations, and collaborative development, with a particular focus on enhancing its marketing framework through the implementation of the “Six Major Marketing Initiatives”. Efforts included the establishment of dynamic key account profiles to improve tracking and service delivery, thereby strengthening client retention. The Company also fostered cross-business collaboration by organising three joint coordination meetings to promote information sharing and operational synergies across its subsidiaries. Further measures included rigorous project oversight through regular inspections, the development of benchmark projects, and the deployment of an intelligent worksite scheduling system, all aimed at elevating contract delivery quality through a multi-faceted approach.

③ Equipment Manufacturing Business

Revenue and gross margin of the equipment manufacturing segment



In 2024, the Company accelerated the industrial application and promotion of its scientific and technological achievements, expedited the adoption and development of digital and intelligent solutions, and comprehensively built a powerful engine for technological innovation. It continued to provide high-quality equipment development services to domestic and international clients. In 2024, the equipment manufacturing business generated revenue of RMB2.957 billion, an increase of RMB465 million, compared to the previous year, with gross profit margin increased by 3.91% year-on-year.

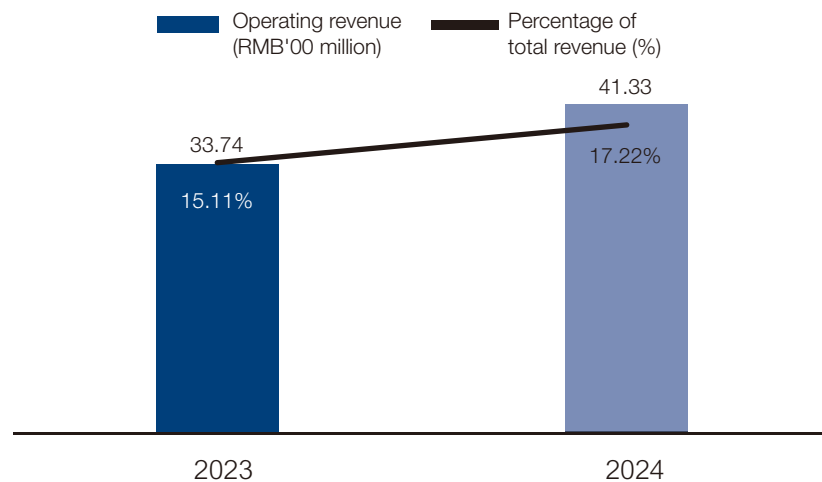


SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

During the Reporting Period, CNPT formulated a complete industrial chain of intelligent aluminum processing production line technology. The aluminum foil roughing mill successfully rolled out 0.006mm double-zero foil that meets the standards. The multi-chamber furnace for melting recycled aluminum was successfully developed. The online detection system for surface defects of non-ferrous metals based on the “AI” model, “Smart Detection with Intelligent Eyes”, was successfully unveiled at the press release for the launch of the “Kun'an” artificial intelligence large model in the non-ferrous metals industry, empowering technological innovation through digital intelligence to build a leading edge in the industry. The “ultra-fine droplet wet desulfurization devices” in the aluminum industry developed by SAMI is groundbreaking and has achieved wide application in the aluminum industry. Relying on its deep accumulation of wet smelting technology for alumina, GAMI successfully entered into contract for a titanium dioxide project with Sunward Chemicals, completing the expansion of its business field from wet metallurgy to the chemical industry.

④ Overseas Business

Overseas operating revenue and percentage of total revenue



In 2024, the Company achieved new breakthroughs in overseas market development, successfully securing bids for the diesel power generation section and the C3 section of the Simandou Iron Ore Project in Guinea, marking its entry into Rio Tinto's EPC turnkey contracting system. The total value of newly signed overseas contracts reached RMB6.095 billion, representing a year-on-year increase of RMB2.403 billion, while overseas revenue amounted to RMB4.133 billion, representing a year-on-year increase of RMB759 million; and the gross profit margin increased by 0.73 percentage points year-on-year.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

During the Reporting Period, the Company strengthened the reconstruction and optimisation of overseas marketing institutions, and restructured and established six new overseas business bases, namely the base of Southeast Asia, South Asia, Africa, Russian-speaking Regions, South America and Central and Eastern Europe Regions, so as to vigorously explore overseas EPC projects in accordance with the model of the headquarters of the Company taking the lead + the design unit being primarily responsible + overseas institutions/construction enterprises collaborating.

SAMI completed 128% of its target for newly signed overseas contract, successfully signing contract for a series of landmark projects such as Kuwait calcined coke, Oman magnesium and Central Asia carbon. GAMI successfully developed new state level markets such as Morocco and Ghana in Africa, and continued to strengthen the expansion and upgrade of its business with Rio Tinto. In 2024, it become the only enterprise in Guanshanhu District, Guiyang Municipality with a foreign trade export volume of 100 million, creating an image of a leading enterprise in the field of foreign trade and economic cooperation in Guizhou Province. CINF successfully won the bid for the diesel power generation section and the C3 mine processing plant section of the Simandou iron ore project in Guinea, and entered Rio Tinto's EPC general contracting system. Sixth Metallurgical Company achieved good results in the Malaysian market, undertaking projects such as the Kuala Lumpur Police Station office building, with a contract value of some RMB400 million.

(2). *Analysis of production volume and sales volume*

☐ Applicable ☒ Not applicable

Description of production and sales volume

(3). *Performance of major purchase or sales contracts*

☐ Applicable ☒ Not applicable



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(4). Cost analysis

Unit: RMB'000

Sector	Cost composition project	By sector		Previous	Percent (%)	Change (%)	Description
		Current	Percent (%)				
Design consulting	Labor, raw materials and labor subcontracting costs, etc.	1,198,138	5.70%	996,979	4.89%	20.18%	Increased along with revenue increase.
EPC project general contracting and construction	Subcontractor costs, labor costs, raw materials, machinery usage fees, etc.	17,421,284	82.62%	17,217,823	84.48%	0.80%	Increased along with revenue increase.
Equipment manufacturing	Subcontractor costs, labor costs, raw materials, machinery usage fees, depreciation and amortization, etc.	2,453,438	11.68%	2,165,050	10.62%	13.32%	Increased along with revenue increase.
Total		21,072,860	100%	20,379,851	100%	3.4%	

Description of other information of cost analysis

None

(5). Changes in consolidation scope due to changes in equity of major subsidiaries within the Reporting Period

☐ Applicable ☒ Not applicable

(6). Major changes or adjustments to business, products or services within the Reporting Period

☐ Applicable ☒ Not applicable

**SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)***(7). Particulars of major customers and major suppliers*

A. Major clients of the Company

✓ Applicable ☐ Not applicable

Sales to top five customers amounted to RMB4,387,281 thousand, representing 18.28% of total sales for the year, among which sales to related parties amounted to RMB1,884,008 thousand, representing 7.85% of total sales for the year.

Particulars that the sales to a single customer accounted for more than 50% of total sales, and there was any new customer in the top five customers, or seriously relying on a few customers within the Reporting Period

✓ Applicable ☐ Not applicable

(Expressed in RMB'000)

No.	Name of customer	Amount of sales	Percentage of total annual sales (%)
1	Unit 1	1,071,924	4.47%
2	Unit 2	899,862	3.75%
3	Unit 3	858,148	3.58%
4	Unit 4	812,084	3.38%
5	Unit 5	745,263	3.10%
6	Total	4,387,281	18.28%



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

B. Major suppliers of the Company

☒ Applicable ☐ Not applicable

Purchases from top five suppliers amounted to RMB1,246.761 million, representing 5.93% of total purchases for the year, among which purchases from related parties amounted to RMB254.979 million, representing 1.21% of total purchases for the year.

Particulars that the purchases from a single supplier accounted for more than 50% of total purchases, and there was any new supplier in the top five suppliers, or seriously relying on a few suppliers within the Reporting Period

☒ Applicable ☐ Not applicable

(Expressed in RMB'000)

No.	Name of supplier	Procurement amount	Percentage of total annual procurements (%)
1	Supplier 1	536,855	2.55%
2	Supplier 2	254,979	1.21%
3	Supplier 3	154,742	0.74%
4	Supplier 4	151,071	0.72%
5	Supplier 5	149,114	0.71%
6	Total	1,246,761	5.93%



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

3. Expense

✓ Applicable ☐ Not applicable

1. Selling expenses for the period amounted to RMB133 million, a decrease of 5.62% compared to the previous year. The Company focused on reform-driven cost reduction, strengthening market expansion while reasonably controlling expenditure, resulting in a year-on-year reduction in selling expenses.
2. Administrative expenses for the period were RMB987 million, a decrease of 13.00% compared to the previous year. The Company deepened reforms to improve labour efficiency, streamlined management levels, and restructured its performance evaluation and incentive system to be more systematic and reasonable. These measures led to significant cost reductions, with administrative expenses declining year-on-year.
3. R&D expenses for the period were RMB961 million, an increase of 1.88% compared to the previous year. The Company strengthened technology-integrated marketing, promoted collaborative technological development, and fully leveraged the supportive and safeguarding role of technological innovation, resulting in a year-on-year increase in R&D expenses.
4. Finance costs for the period were RMB194 million, a decrease of 25.05% compared to the previous year. In 2024, the Company continued to optimise its financing structure, reducing interest expenses by RMB50 million year-on-year. Additionally, due to the appreciation of the US dollar, gains from foreign exchange increased by RMB38 million compared to the previous year.

4. R&D investments

(1). Particulars of R&D investments

✓ Applicable ☐ Not applicable

(Expressed in RMB'000)

Expensed R&D investment for the period	961,032
Capitalised R&D investment for the period	1,075
Total R&D investment	962,107
Percentage of total R&D investment in operating revenue (%)	4.01
Percentage of capitalised R&D investment (%)	0.004



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(2). Particulars of R&D team

✓ Applicable ☐ Not applicable

Number of R&D team members of the Company	2,352
Number of R&D team members in total headcount of the Company (%)	21.67

Educational structure of R&D team members

Category of educational structure	Number
Doctor's degree	30
Master's degree	709
Bachelor's degree	1,467
Junior college	140
High school or lower	6

Age structure of R&D team members

Category of age structure	Number
< 30 years old (excluding 30)	234
30-40 years old (including 30, excluding 40)	968
40-50 years old (including 40, excluding 50)	709
50-60 years old (including 50, excluding 60)	435
>=60 years old	6



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(3). *Description*

☒ Applicable ☐ Not applicable

In 2024, the Company adhered to the development strategy of “Science and Technology + International”, adhered to the leadership of science and technology, gave full play to its coordinated advantages in science and technology research and development and engineering design, provided technical support for the development of the non-ferrous industry, and continued to enhance the core competitiveness of the Company. Based on its own entrepreneurial, market-oriented and engineering research characteristics, the Company has pushed forward the reform of the planning and project system, completed the mid-term adjustment of the “14th Five-Year Plan” science and technology plan, issued and implemented the R&D investment plan and the plan for the promotion of scientific and technological achievements, and established and formulated the “1+2” planning and project system of the company. We systematically improved the science and technology management system, revised and issued the management measures for science and technology R&D projects, implementation rules for the management of scientific and technological achievements, and further optimized and standardized the scientific and technological research management work. We strengthened science and technology communication and marketing, hosted and organized a number of technical exchanges, large-scale academic conferences and forums, introduced science and technology communication program, published a special herald on science and technology innovation, and established the Company’s “science and technology + communication” new pattern.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

The Company firmly serves the national strategy and continuously strengthens scientific and technological innovation, focusing on the key areas and directions of the whole industrial chain, such as exploration and detection, mining, aluminum oxide, electrolytic aluminum and carbon for the aluminum industry, heavy non-ferrous and rare metal smelting, non-ferrous metal processing, engineering and construction, etc., taking the “14th Five-Year Plan” scientific and technological planning as the overall direction and target and taking the R&D investment plan and the breakthrough action of scientific and technological innovation as the gripping hand, the Company planned and laid out the major special projects in 2024, organized and completed the establishment of more than 80 key scientific research projects, and a number of technologies achieved breakthroughs in phases; 25 key projects were completed and accepted, and the annual R&D investment plan was implemented in an effective manner. In terms of mineral resources, the electromagnetic method of unmanned aerial vehicle technology could solve the detection difficulties of target areas that are inaccessible to manual labor. The results of its application in the large-scale application of karst disaster prevention and control in China’s karst field have effectively promoted the development of karst survey and evaluation and disaster prevention and control technology; we have innovatively established a new stability and post-failure impact range evaluation system, developed effective comprehensive hazard prevention and control technology for tailings dams, and solved the major technical difficulties in the disaster formulation mechanism of fine cohesive particles in high tailings dams and the prevention and control of dam-failure disasters. In terms of green, low-carbon and digital intelligence, the Company has successfully developed an intelligent optimization control system for aluminum oxide roasting in response to technical difficulties such as nonlinearity, strong coupling and time-varying temperature of aluminum oxide roasters, which provides a brand-new solution for the greening and intelligent transformation and upgrading of the aluminum oxide industry; and in response to the issue of the many types of solid wastes containing copper and gold with large differences in composition, we have developed a complex short-flow clean smelting technology for copper-based solid wastes, which realizes rapid increase of melting pool temperature, deep desulfurization of sulfides, 20% reduction in coal consumption, 15% reduction in oxygen consumption, etc., the research results have reached the international leading level; the 800mm six-roller copper foil mill we developed has been successfully recognized as a major technical equipment in Henan Province, breaking through the key technologies of ultra-thin and wide-width copper foil mill such as thickness and plate shape control, and the comprehensive performance has reached the international advanced level. The Company adheres to the innovation-driven development strategy, and is committed to overcoming key technical difficulties in the industry.

- (4). *Reason for significant change in R&D team structure and its influence on the Company’s future development*

☐ Applicable ☒ Not applicable



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

5. Cash flow

☒ Applicable ☐ Not applicable

1. Net cash flow from operating activities for the year was an outflow of RMB2.694 billion, representing an increase in outflow of RMB3.417 billion compared to the previous year. The Company implemented multiple measures to recover the “two funds”, with a particular focus on challenging and difficult projects. Total cash recovered for the year amounted to RMB21.0 billion. At the same time, the Company fully upheld its responsibilities as a central state-owned enterprise and a listed company, ensuring the payment of due payables. Total cash payments for the year reached RMB20.583 billion, an increase of RMB3 billion compared to the previous year.
2. Net cash flow from investing activities for the year was an inflow of RMB662 million, representing an increase in inflow of RMB568 million compared to the previous year, primarily due to the maturity and recovery of RMB700 million in structured deposits. At the same time, capital expenditure of RMB80 million was paid.
3. Net cash flow from financing activities for the year was an inflow of RMB1.836 billion, representing a decrease in outflow RMB4.412 billion compared to the previous year, primarily attributable to the introduction of strategic investors, who contributed a total of RMB2.29 billion in capital to the Company’s subsidiaries, namely SAMI, GAMI, and Kunming Survey and Design Institute. In contrast, the previous year saw a net outflow due to the redemption of USD350 million in perpetual bonds issued overseas.

(II) Explanation of material changes in profit caused by non-principal business

☐ Applicable ☒ Not applicable



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(III) Analysis of assets and liabilities

☒ Applicable ☐ Not applicable

1. Assets and liabilities

Unit: RMB'000

Project name	Current	Current Percentage in total assets (%)	Previous	Percentage of closing balance of the previous period in total assets (%)	Change in balance as at the end of the current period as compared with balance as at the end of the corresponding period of last period (%)	Description
Transactional financial assets	–	0.00%	700,506	1.71%	–100.00%	Structured deposits are redeemed upon maturity.
Non-current asset due within one year	347,179	0.84%	171,605	0.42%	102.31%	Due to the reclassification of certain long-term receivables collected within one year.
Other current assets	796,743	1.94%	578,468	1.41%	37.73%	Increase in input tax to be deducted.
Construction in progress	49,873	0.12%	76,590	0.19%	–34.88%	The impact of projects under construction reaching usable status and being converted into fixed assets.
Advance receipts	3,651	0.01%	1,613	0.00%	126.35%	Increase in prepaid rent.
Non-current liabilities due within one year	2,016,841	4.90%	1,424,748	3.48%	41.56%	Due to reclassification of long-term borrowings due within one year.

Other explanation:

None

2. Details of overseas assets

☒ Applicable ☐ Not applicable

(1) Asset size

Of which: overseas assets amounted to 4,282,296 (Unit: RMB'000, Currency: RMB), accounting for 10.4% of total assets.

(2) Explanation on the high proportion of overseas assets

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

3. Details of significant restricted assets as at end of the Reporting Period

✓ Applicable ☐ Not applicable

(Expressed in RMB'000)

Item	Closing book value	Reason for restriction
Currency funds	781,349	Frozen amount, letter of credit deposits, guarantee deposit deposits, promissory note deposits, etc.
Accounts receivable	305	Accounts receivable Pledged
Financing receivables	6,000	Pledge of notes
Total	787,654	/

4. Other explanation

✓ Applicable ☐ Not applicable

(1) Borrowing

Details of interest-bearing liabilities of the Company are set out below:

(Expressed in RMB'000)

Item	As at the end of 2024	As at the end of 2023	Change
Short-term borrowings from banks and financial institutions	984,379	1,343,848	-359,469
Long-term borrowings due within 1 year	2,010,871	1,414,590	596,281
Long-term borrowings from banks and financial institutions	6,794,324	6,179,831	614,493
Total interest-bearing liabilities	9,789,574	8,938,269	851,305
Less: cash and cash equivalents (excluding restricted cash)	3,166,948	3,339,604	-172,656
Net interest-bearing liabilities	6,622,626	5,598,665	1,023,961

As of 31 December 2024, the Group's outstanding borrowings amounted to RMB9,789 million, representing an increase of RMB851 million as compared with the interest-bearing liabilities of RMB8,938 million as of the end of 2023. Net interest-bearing liabilities (interest-bearing liabilities less cash and cash equivalents) at the end of 2024 amounted to RMB6,623 million, representing an increase of RMB1,024 million as compared with the interest-bearing liabilities of RMB5,559 million as of the end of 2023.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(2) *Pledge of assets*

As of 31 December 2024, the Group pledged receivables of RMB305,000 to obtain short-term loans of RMB305,000.

(3) *Contingent liabilities*

As of 31 December 2024, the Company did not have any material contingent liabilities.

(4) *Capital structure*

The Group manages and controls its capital structure on the basis of gearing ratio. Such ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including short-term borrowings, long-term borrowings due within 1 year, bonds payable, long-term borrowings and bonds payable as shown in the consolidated balance sheet) less cash balance as stated in the cash flow statement. Total capital is the sum of shareholders' equity and net debt as shown in the consolidated balance sheet. Total shareholders' equity comprises shareholders' equity attributable to the parent company and minority interests.

As at 31 December 2024 and 31 December 2023, the Company's gearing ratio was 42.82% and 43.56%, respectively. The decrease in the gearing ratio as at 31 December 2024 as compared with that as at 31 December 2023 was mainly due to the fact that the three subsidiaries of SAMI, Kunming Survey and Design Institute and CINF, which are owned by the Company, introduced strategic investors and received capital funds totaling RMB2.29 billion, thus increasing the total shareholders' equity.

As at 31 December 2024, the Company's total net assets attributable to shareholders of the listed company amounted to RMB6.582 billion, representing a decrease of RMB434 million compared to 31 December 2023, primarily due to:

- ① Reasons for an increase: an operating income of RMB168 million; the contribution of a total of RMB63 million from 237 participants under the restricted share incentive scheme; investment of RMB2.29 billion received from strategic investors introduced for three of our subsidiaries including SAMI, CINF, and Kunming Survey and Design Institute in December 2024, resulting in an increase in net assets attributable to shareholders of the listed company by RMB500 million. The above contributed to an increase of RMB731 million in net assets attributable to shareholders of the listed company compared to the beginning of the year.
- ② Reasons for a decrease: the Company repaid RMB1 billion in perpetual bonds issued to Industrial Bank along with RMB165 million in accrued interest, resulting in a RMB1.165 billion reduction in net assets attributable to shareholders of the listed company.

**SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)****(IV) Industry Operational Information Analysis**✓ Applicable ☐ Not applicable

The Group's businesses mainly include engineering design consulting, EPC project general contracting and construction and equipment manufacturing, etc.. According to the Guidelines for the Industrial Classification of Listed Companies issued by the CSRC and the results of listed companies classification issued by the CSRC, the Company falls in the industry of building and construction. The Company's operating information in the industry is analyzed below:

Analysis of operating information on the construction industry

1. Projects completed and being accepted during the Reporting Period✓ Applicable ☐ Not applicable

Expressed in RMB0'000

Industrial segment	Housing construction	Infrastructure projects	Specialized engineering projects	Construction and decoration	Other	Total
Number of projects	30	10	26	0	31	97
Total amount	316,224.45	115,323.95	125,249.97	0	108,065.36	664,863.73

✓ Applicable ☐ Not applicable

Expressed in RMB0'000

Project area	Number of projects	Total amount
Domestic	93	629,604.62
Overseas	4	35,259.11
Of which:		
Asia	96	660,422.17
Africa	1	4,441.56
Total	97	664,863.73

Other explanation:

☐ Applicable ☒ Not applicable



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

2. Projects in progress during the Reporting Period

☒ Applicable ☐ Not applicable

Expressed in RMB0'000

Industrial segment	Survey, design and consulting	Industrial projects	Civil construction	Highways and municipal projects	Equipment manufacturing	Other	Total
Number of projects	5,493	1,141	257	112	618	177	7,798
Total amount	845,700.53	4,193,972.49	1,925,696.03	2,462,157.69	1043,495.87	188,817.31	10,659,839.93

☒ Applicable ☐ Not applicable

Expressed in RMB0'000

Project area	Number of projects	Total amount
Domestic	7,593	9,158,943.10
Overseas	205	1,500,896.83
Of which:		
Asia	7,683	10,199,310.63
Africa	72	262,639.38
Europe	28	190,451.77
South America	10	3,868.88
North America	5	3,569.27
Total	7,798	10,659,839.93

Other explanation:

☐ Applicable ☒ Not applicable

**SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)****3. Major projects under construction**✓ Applicable ☐ Not applicable

Expressed in RMB0'000

Project name	Business model	Project amount	Duration of construction	Percentage of completion	Revenue recognized during the period	Cumulative revenue recognized	Cost inputs for the period	Cumulative cost inputs	Cumulative payback amount as at the end of the period	Whether project progress is in line with expectations	Whether the progress of payment is in line with expectations
Mempawah Aluminum Oxide Project in Indonesia	EPC	434,405.00	31 months	70.03%	127,019.61	356,740.32	122,99.95	341,410.15	337,487.34	Yes	Yes
Yunnan Expressway Project	General contractor for construction	1,951,742.30	62 months	89.70%	66,851.59	1,750,674.34	58,312.91	1,440,282.16	1,582,855.57	Yes	Yes
350,000-ton green electricity aluminum project (Zahannur Aluminum Phase II) in Zahannur, Tongliao City	EPC	279,858.29	24 months	1.8%	1008	1008	950.94	950.94	14364.16	Yes	Yes

Other explanation:✓ Applicable ☐ Not applicable**4. Cumulative new contract awards during the Reporting Period**✓ Applicable ☐ Not applicable

During the Reporting Period, 5,840 new contracts were awarded, with a combined value of RMB30,826.5339 million.

5. Orders on hand as of the end of the Reporting Period✓ Applicable ☐ Not applicable

The total amount of orders in hand at the end of the Reporting Period was RMB49,024 million. Of this amount, RMB1,711 million was for projects for which contracts had been signed but work had not yet commenced, and RMB47,313 million was for uncompleted portions of projects under construction.

Other explanation:☐ Applicable ✓ Not applicable



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

6. Other explanation

✓ Applicable ☐ Not applicable

(1) Qualifications obtained during the Reporting Period

A list of six qualifications were newly obtained in 2024, details are provided as follows:

Name of the enterprise	Name of the certificate	Certificate No.	Date of issuance	Maturity date
SAMI	Electric power industry (wind power), electric power industry (new energy generation) professional grade B, Landscape Architecture Engineering Design Special Grade B	A221002489	2024-04-09	2025-04-15
SAMI	Metallurgical Engineering Construction General Contractor Grade II, Electric Power Engineering Construction General Contractor Grade II, Petrochemical Engineering Construction General Contractor Grade II, Electronic and Intelligent Engineering Specialized Contractor, Environmental Protection Engineering Specialized Contractor Grade II, Ground Foundation Engineering Specialized Contractor Grade II, Steel Structure Engineering Specialized Contractor Grade II	D221140214	2024-06-30	2029-06-30
GAMI	Metallurgy (including iron and steel, non-ferrous) Credit Grade A	915201004292010081-20ZYJ20	2024-07-01	2027-06-30
GAMI	Construction Credit Grade B	B292024010046	2024-07-01	2027-06-30
CINF	Electric Power Engineering Construction General Contracting Grade II Qualification	D243325862	2024-02-08	2029-02-08
CINF	Engineering Consulting Credibility Assessment "Construction" Class A Specialization	A222024010967	2024-07-01	2027-06-30



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(2) *Particulars of financing arrangements*

As at the end of the Reporting Period, the Company's outstanding debt and other equity instrument financing amounted to RMB13.62 billion, of which debt financing accounted for RMB9.82 billion and equity financing for RMB3.8 billion. The overall financing volume reduced by RMB100 million compared to the end of 2023, primarily due to the repayment of RMB1 billion in perpetual bonds during the year, and debt financing increased by RMB900 million.

(3) *Quality control system, execution standards, control measures and overall evaluation*

In 2024, the Company focused on the working goals of "No class A quality accidents, obtaining 2 provincial and ministerial level and above quality awards and 15 provincial and ministerial level and above QC achievements, reaching double '90' of both the participation rate and average score in the National Enterprise Employee Knowledge Contest on Comprehensive Quality Management, formulating a quality management model that can be replicated in the enterprise, and publicizing 5 articles of 'Quality Story of Chinese Aluminum' in provincial and ministerial level and above media", improved the quality management system, implemented the quality management responsibilities, upheld the spirit of professionalism, improved the level of quality management and created a quality brand.

(4) *Operation of workplace safety system*

In 2024, the Company comprehensively implemented the important directives and instructions of General Secretary Xi Jinping's important expositions and important instructions on production safety and emergency management, deeply promoted the Company's occupational health and safety production standardization system, took the three-year action of production safety and safety management (2024 to 2026) and the annual safety work plan as a gripping hand, paid close attention to the implementation of the safety responsibility of the entire workforce, and focused on the key projects to carry out safety inspections. We accomplished the 2024 production safety management targets of the Company, and successfully passed the third-party occupational health and safety management system certification. In line with the requirements of relevant national and industrial laws and regulations, and in comparison with the Company's current regimes and structures, we checked for omissions and filled in the gaps, compiled and revised 11 safety management systems, including the "Requirements for Subcontractor Safety Management" and "Measures for Supervision, Inspection, Accountability and Assessment of Safety and Environmental Protection", so as to consolidate the management of safety foundation. In 2024, the Company's production safety systems operated effectively, and the production safety situation was generally stable.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(V) Investment Analysis

Overall analysis of external equity investments

☒ Applicable ☐ Not applicable

As at 31 December 2024, the balance of the Company's long-term equity investments (at cost) stood at RMB776.544 million, a decrease of RMB25.98 million, or 3.24%, compared to the beginning of the year. The provision for impairment of long-term equity investments amounted to RMB36.217 million, a reduction of RMB12.002 million from the beginning of the year.

1. Major equity investments

☐ Applicable ☒ Not applicable

2. Significant non-equity investments

☐ Applicable ☒ Not applicable

3. Financial assets measured at fair value

☒ Applicable ☐ Not applicable

(Expressed in RMB'000)

Category of Asset	Amount as at the beginning of the period	Amount as at the end of the period
Financing receivables	453,487	321,003
Transactional financial assets	700,506	0
Other equity instrument investments	49,248	43,160
Total	1,203,241	364,163



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Securities Investment

☐ Applicable ☒ Not applicable

Description of investment in securities

☐ Applicable ☒ Not applicable

Investment in private funds

☐ Applicable ☒ Not applicable

Investment in derivatives

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

(VI) Disposal of significant assets and equities

☐ Applicable ☒ Not applicable



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(VII) Analysis of major subsidiaries, associates and joint ventures

☒ Applicable ☐ Not applicable

Unit: RMB'000

Company name	Business scope	Total assets	Net assets	Operating revenue	Net profit
Shenyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd.	Engineering survey and design	2,281,875	1,321,386	1,231,998	54,669
Shenyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd.	Engineering survey and design	1,842,972	471,876	1,432,185	83,745
Changsha Engineering & Research Institute Limited for Non-ferrous Metallurgy	Engineering survey and design	4,586,918	2,392,456	2,451,939	113,896
China Non-ferrous Metals Processing Technology Co., Ltd.	Engineering design and equipment manufacturing	2,050,742	606,282	1,176,716	31,199
Sixth Metallurgical Construction Company of China Non-ferrous Metals Industry	Building and construction	12,016,090	2,311,327	6,606,837	10,237
China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	Building and construction	4,892,556	833,706	2,943,337	5,001
CHALIECO (Tianjin) Construction Co., Ltd.	Building and construction	1,432,384	497,023	731,878	3,952
Ninth Metallurgical Construction Co., Ltd.	Building and construction	9,711,627	1,805,929	4,472,055	13,285
Chalco Shandong Engineering Technology Co., Ltd.	Engineering survey and design	776,590	217,127	687,869	2,061
Kunming Survey and Design Institute Co., Ltd. of China Non-ferrous Metals Industry	Engineering survey and design	1,902,085	1,086,617	1,510,350	55,210
Kunming Survey and Design Institute Co., Ltd. of China Non-ferrous Metals Industry	Engineering survey and design	542,822	229,630	430,913	65,494

(VIII) Particulars of structured entities controlled by the Company

☐ Applicable ☒ Not applicable



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

VI. DISCUSSION AND ANALYSIS OF FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry landscape and trend

☒ Applicable ☐ Not applicable

1. Non-ferrous metal industry

The Company has broad prospects for development in the following four major areas: first, major non-ferrous metal investment projects covered in the 14th Five-Year Plan of the State; second, domestic exploration and development of scarce strategic minerals (including copper, aluminum, nickel, lithium and platinum group metals); third, greening and intelligent transformation of the industry; and fourth, we focused on technological breakthroughs in key areas such as new energy, rail transit, electronic information, and intelligent technologies for major clients.

Since the debut of 14th Five-Year Plan, China's non-ferrous metal industry has maintained a sustained growth trend in production, and the industrial added value of the non-ferrous metal smelting and processing industry has increased significantly. With the advancement of a new round of industrial revolution, fields such as new material technology and intelligent manufacturing have ushered in a period of rapid development, providing new opportunities for the transformation and upgrading of the non-ferrous metal industry. In particular, against the backdrop of the rapid development of emerging industries such as new energy vehicles and renewable energy, the demand for lightweight materials and high-performance alloys has grown significantly, directly boosting the market demand for related metal products. Confronting challenges from various aspects, the non-ferrous metal industry as a whole is showing an upward trend in demand.

In terms of development model, the industry will shift from simple expansion of scale to the optimisation of existing resources, control of new production capacity, and active reduction of excess capacity, and will transform towards innovation-driven, improved quality and efficiency, high-quality development, green and sustainable development, as well as the direction of intelligent. The target market will also shift from focusing on incremental growth to intensive cultivation of the stock market, and from new construction projects to relocation construction, technological transformation, industrial upgrading and technical services. In this process, the output of core products such as aluminum and copper is expected to maintain steady growth, while the industry's operating income and fixed asset investment will continue to rise, and the pace of green and intelligent transformation will further accelerate. Technological innovation and intelligent and green transformation have become important trends in the development of the industry, bringing new growth points for enterprises and prompting companies to increase investment in energy conservation and emission reduction, pollution control and comprehensive utilisation of resources, etc., promote technological innovation and equipment upgrading, and devote themselves to the development of green manufacturing and the circular economy.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

As for overseas markets, the global metallurgical engineering market currently has a scale of over RMB600 billion, showing the huge size of the overseas metallurgical engineering market and a certain growth potential in the future. Currently, many developing countries around the world are in the stage of rapid industrialisation and urbanisation, such as certain countries in Southeast Asia, Africa and South America. Large-scale infrastructure construction and industrial project development have led to a strong demand for metal materials such as steel, aluminum and copper. With our advantages in the complete field of metal, complete industrial chain and the entire life cycle of projects, Chalieceo has huge opportunities in the global metallurgical engineering market.

At the same time, in view of the shortage of mineral resources on the supply side in China, many leading domestic non-ferrous metal industry companies will accelerate their overseas resource layout in the future and begin to invest and build factories on a large scale in the field of metal smelting and processing, especially in Southeast Asia and Africa. These two regions have been key areas of Chalieceo that we have deeply cultivated for more than a decade. With our rich experience and achievements in engineering construction and a first-mover advantage, our future market potential is enormous.

2. Engineering and construction industry

In 2025, China's engineering construction industry will accelerate structural adjustment in a complex domestic and international environment, gradually moving towards a high-quality development stage that emphasises both quality and efficiency. Although weak global economic recovery has led to weaker support for economic growth from external demand, infrastructure investment will remain resilient with the support of counter-cyclical adjustment policies, although growth is expected to stabilise.

During the 15th Five-Year Plan period, China will accelerate its transformation from a manufacturer of quantity to one of quality, with industrial innovation becoming the fundamental propeller of new industrialisation. To achieve the goals of carbon peak and carbon neutrality, the government has introduced a series of policy measures to strengthen environmental protection and promote the use of clean energy, which will promote the green and low-carbon transformation of emerging industrial sectors. Green development and sustainable development are posing increasing challenges to traditional construction methods and production of building materials. Green buildings, digital buildings, industrialised buildings and building energy efficiency will become important development directions for future construction projects. The industrialisation of construction is accelerating, the prefabrication rate is increasing, and the evolution of intelligent buildings is accelerating. New technologies such as BIM, the Internet of Things, big data, artificial intelligence and construction robots will bring new development opportunities to the construction industry.

The industry is accelerating technological innovation, with the deep integration of greening, intelligent and industrialisation. At the same time, the business model is accelerating its transformation and development towards an integrated "investment-construction-operation" model, with a more differentiated regional layout. The eastern region would focus on high-end and intelligent development, while the central and western regions would rely on infrastructure upgrades to unlock development potential.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(II) Corporate development strategy

✓ Applicable ☐ Not applicable

Focusing on the non-ferrous and advantageous industrial fields, we will make every effort to build the Company into a world-class science and technology service enterprise providing advanced technology, complete sets of equipment and integrated service comprehensive solutions for non-ferrous metals.

In terms of development ideas, in accordance with the “332+N” development mindset, we will base ourselves on three markets, deeply cultivate three fields, innovate two models, create N new business forms, and realize the transformation into a science and technology service enterprise. Specifically, we will focus on the following five aspects:

1. Base on three markets

Deeply cultivate and refine the internal market of Chinalco; deeply dig into the market potential of non-ferrous metals and advantageous industrial fields, consolidate and expand the domestic market; unswervingly expand the international market.

2. Deeply cultivate three fields

Firstly, to provide full life cycle and full process technical services; secondly, to supply technology + mid-to-high-end products; thirdly, to implement investment, financing, construction and operation projects in non-ferrous industries and industrial fields with technology as the core.

3. Innovate business model

Shift the business model from one-off project services to providing customers with products, services and comprehensive solutions throughout the entire life cycle, the entire industry chain and all professional fields; shift the commercial model from single project delivery to the sharing of technical value results, long-term equipment product revenue sharing, digital and intelligent long-term maintenance revenue sharing, among other operational and platform models.

4. Form a new business pattern of “technology + N” model

With technological innovation as the center, capacity building as the radius, user demand as the guidance, and formulate new business forms such as technology + products, technology + services, technology + equipment, technology + investment, etc, with the “technology + industry” model. The design and survey business shall follow the “123+N” model, and the construction business shall follow the direction of “specialisation, refinement, strength and special” to achieve transformation, upgrading and high-quality development.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

5. Promote the transformation into technology service enterprise

Guided by the high-quality development of core clients and core industries, we promoted the integrated development of production-oriented services. By leveraging advanced process technologies, green energy efficiency, digital operations and maintenance, and smart manufacturing, we established a new “technology+” business model. This strengthens the industrialization and market application of R&D outcomes, builds design innovation advantages at the R&D stage, expands high-end consulting capabilities in marketing, and upgrades smart manufacturing systems in production. These efforts drive the Company toward high-value-added segments at both ends of the industrial chain – design and services.

(III) Business plan

☒ Applicable ☐ Not applicable

The year 2025 marks the end of the implementation of the 14th Five-Year Plan and the deepening and upgrading of reforms, as well as the planning and laying out for the 15th Five-Year Plan. In 2025, the Company will adhere to the leadership of high-quality Party building to the high-quality development, resolutely implement management system evolutions, and strengthen the effective improvement of quality and reasonable growth of quantity of management work. Focusing on deeply cultivating the “three major markets”, comprehensively winning the “four tough battles”, taking the effective implementation of the “five special actions” as the starting point, carry out in-depth and thorough implementation of the “six major system reforms”, ensuring the completion of the annual goals and tasks, and spare no effort to build a “New Chalieco”.

1. Unswervingly focus on the implementation of the strategy, building a new pattern of high-quality development

Focusing on the annual implementation system of “4+4+N+Special” to strengthen our strategic leadership, focus on our principal responsibilities and businesses, and continue to consolidate the core competitiveness of our main responsibilities and businesses, so as to achieve the continuous optimisation of our business structure.

The design and survey enterprises shall adhere to the leadership of science and technology for business expansion, continuously strengthen the driving effect of engineering design and technical services, give full play to their advantages in survey and design, equipment manufacturing and engineering applications, cultivate strong innovative capabilities and the ability to transform scientific and technological achievements, build EPC comprehensive management capabilities, and provide customers with “customized” ultimate services integrating R&D and design, as well as low-cost and high cost-effective products of complete sets of equipment as well as comprehensive solutions.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

The construction enterprises will focus on the market and contracts, improve the ability of performance, further optimize the management level and management personnel, optimize the labor force, improve the proportion of front-line personnel in the project, and do a good job in construction business in a refined, specialized and detailed manner. Taking projects as the core and strict implementation of the contract as the focus, to strengthen synergies with the survey and design enterprises.

2. **Unswervingly focus on marketing, laying a firm foundation for high-quality development**

Launch and win the “battle of improving quality and increasing quantity in the market”. We will unswervingly focus on development, achieving effective improvement in quality and reasonable growth in quantity, significantly optimising the business structure, and developing and expanding the strategic new industries.

Continuous growth of market share in metallurgy and advantaged industrial sectors. Focusing on metallurgy and advantageous industrial sectors, we will keep a close eye on the incremental market of the industry and dig deeper into the stock market. We will strengthen cooperation with key enterprises and formulate stable cooperation resources and large customer markets within our business scope around central state-owned enterprises as well as metallurgical and non-ferrous enterprises.

Achieve great improvement of the total amount of EPC business. Leading by advanced core technology, and insist on equal emphasis on domestic and foreign markets, we will deepen internal synergy among design, survey and construction enterprises, enhance the comprehensive competitiveness of EPC general contracting, and firmly expand the EPC general contracting business. Promote the key projects to be contracted in the EPC general contracting mode in the first place.

Reach a new level in overseas non-ferrous markets. Focusing on key markets in Southeast Asia, Africa and Russian-speaking region, promoting the implementation of key overseas EPC general contracting projects such as Guinea aluminum oxide, Nigeria electrolytic aluminium and Indonesia Mempawah Phase II, etc., and to set up a special working group on “Headquarters Region+ Affiliated Enterprises+ Overseas Institutions” to coordinate and push forward the process of the projects. Increase the investment in overseas market resources and optimise the remuneration system and incentive system for overseas business. Deepening local resource management and dynamically manage the overseas business database to improve market response speed and customer satisfaction.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

3. Unswervingly focus on project performance, enhancing the essential profitability of projects

To launch and win the “Battle of Project Performance Enhancement” and the “Battle of Extreme Cost Reduction and Efficiency Enhancement”, improve the cost control capability of projects and the quality of performance of projects.

Consistently implement the reshaping of project management system. Taking project management as the center, cost control as the core, cash flow control as the focus and enhancing project profitability as the goal, we will continue to deepen the reshaping of the project management system. Carry out a comprehensive special inspection of the production and operation reform to ensure the implementation of the three-level control of the project, and realise the direct management and control of the project. Promote the penetration and implementation of the ultimate management concept, strengthen cost measurement and control, focus on deepening the secondary and tertiary operations, and enhance the profitability of projects. Strengthen the implementation of “two systems” management of projects, adhere to the unified standards and unified requirements, so as to achieve rigid fulfillment.

To be determined to implement the reshaping of the subcontractor management and control system. To complete the establishment of a subcontractor management information resource database, so as to monitor the performance of subcontractors in real time, and realise full life-cycle management. Continuously optimise subcontracting resources, introduce external high-quality subcontractors, cultivate core high-quality subcontracting resources, explore the establishment of a “strategic subcontractor” mechanism, and establish a long-term solid cooperative relationship.

Breaking down barriers to implement the reshaping of the procurement management system. Accelerate the promotion of the Company’s centralised procurement business, and determine the categories of centralised procurement on the basis of importance of the material, purchasing amount and market situation. To set up a centralised procurement team, improve relevant management systems and processes, train operational staff and set up performance assessment indicators. Monitor the implementation of centralised purchasing, regularly evaluate the purchasing performance, and achieve improvement in both purchasing efficiency and cost control.

Comprehensively enhance the performance capability of EPC projects. Resolutely circulate and implement the Implementation Opinions on Intrinsic Safety of Construction Projects, consistently improve the landing and implementation of the Standardised Management Manual for Engineering General Contracting Project Management Processes, link design institutes with construction units, strengthen resource sharing, and accelerate the formation of multiple specialised EPC project management teams. Taking major projects as the handhold to make a solid grasp of the performance of EPC general contracting projects such as Zahannur Aluminum Phase II, cultivate the team through practical projects, improve the EPC general contracting project management system, and lead to a comprehensive improvement in the performance capability of EPC general contracting projects.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Comprehensively improve professional abilities. Actively build our “electromechanical installation team, kiln business team, mining business team” and “all-area maintenance and repair business team”. According to the advantageous business field of each construction enterprise, through the advanced technology empowerment of design institutes, the technology, skills and project management talents of the design and construction enterprises are combined to formulate a professional team, to develop specialized businesses in a differentiated manner, and to achieve the goal of professional development of construction companies. Accelerate the cultivation of specialised mine business capacity to provide support for further expansion of mine construction and operation and maintenance business.

4. Unswervingly focus on science and technology innovation, enhancing comprehensive competitiveness in an all-round manner

Taking “Science and Technology Innovation Special Action” and “Digital Intelligence Empowerment Special Action” as the handhold, focus on key projects and strengthen the research and development of core technologies. Strengthen the innovation of mechanism, stimulate the Company’s innovation vitality, and enhance the propelling and leading role of scientific and technological innovation and digital intelligence in the business.

Strengthen research and development, and tackling difficulties in key core technologies. Focusing on the key tasks of science and technology planning, accelerate the implementation of the annual R&D investment plan, and steadily improve the scale and quality of R&D investment. Focusing on the layout of major R&D projects in the fields of mineral resources, non-ferrous smelting, metal processing and other fields on the basis of the need of the State, key customers and the market, spare no effort in pushing forward the key special research and development projects in the fields of green energy roasting of aluminum oxide, in-depth energy saving of electrolytic aluminum, large-scale equipment for metallurgy and processing, and the application of artificial intelligence, etc., so as to obtain a number of industry-leading achievements.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Accelerating the transformation and application of scientific and technological achievements. Lead the promotion of scientific and technological achievements and industrialisation pilot layout with “technology+”, selecting scientific and technological achievements with leading technology and broad market prospects, creating typical examples of the “technology+” model, and fostering a number of industrialisation technologies with a value of more than RMB100 million. Coordinate and promote the transformation and application of a number of advanced scientific and technological achievements such as green and low-carbon aluminum electrolysis in-depth energy-saving comprehensive technology, tailings ponds and slope online monitoring systems, and further release the potential for scientific and technological contributions.

Accelerate the application and construction of digital intelligence. Implementing the “1+3+1+6” digital development goals of the Company, namely, to establish 1 operation and management platform, 3 specialised production platforms (collaborative design platform, digital delivery platform and intelligent construction site platform), and to empower the Company’s project management system through the effective connection and data integration of the applications at the operation layer and the management layer; insisting on the application of artificial intelligence as 1 special task, exploring the best practice of the application of the artificial intelligence large models; combining industrial interconnection technologies such as the industrial Internet, 5G private network, among others, and focus on the creation of application products or solutions in 6 fields including exploration, mining, heavy non-ferrous, aluminum oxide, electrolytic aluminum and processing, and accelerate the construction of digital intelligent product and service capability. Accelerate the data governance work in engineering and technical domains, further improve the digital and intelligent management system, and strengthen the centralised training in the fields of digital transformation and artificial intelligence.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

5. Unswervingly focus on in-depth and thorough reform, stimulating the endogenous momentum for enterprise development

Taking the “Special Action for In-depth and Thorough Reform” as a handhold, implement the “Six Evolutions for Management System”, deepen the reform of market-oriented mechanism, set up an integrated operation and management platform, and promote the systematic and revolutionary reconstruction of the operating system.

Grasp and implement the deepening and upgrading action for reform. Strengthen the organization, coordination, supervision and inspection, and promote various reform processes in a coordinated manner, and fully complete the 69 reform tasks of the Implementation Plan for the Deepening and Upgrading Action for Reform of Chalico (2023-2025); the completion rate of the tasks of the deepening and upgrading action for reform for the current year shall be 100%, and the cumulative completion rate shall be 100%. Dynamically follow up the progress of the reform indicators, strengthen the supervision and evaluation of the process of the indicators, and achieve “level enhancement and upgrading” in the special assessment of the reform by the SASAC.

Grasp and implement the “six major” reform of project management system.

Comprehensively carry out management system revolution, improve the systems relying on the empowerment of the organisational system, systematically carry out business process construction, clarify the subjects of rights and responsibilities of the process, implement management system revolution, and comprehensively promote the implementation of “wolf culture” marketing system, “highly efficient and high quality” project performance management system, “safety first” safety control system, “integrated finance” treasury management system, and “wisdom integration and empowerment” human resource management system and the “Compliance Pioneer” legal compliance management system.

Grasp and implement the construction of the market-oriented mechanism. Deepen the revolution of organisational system, and fully complete the reform of the “four determinations” of affiliated enterprises of the company. To construct a performance management system based on business orientation, and implemented differentiated assessment on the basis of “one enterprise, one policy”. Comprehensively reconstruct the performance appraisal system and achieve full coverage of the “one person, one table, one target” appraisal. To establish a market-oriented remuneration system for all personnel, strengthen the determination of remuneration on the basis of performance and contribution, accelerate the establishment of a performance system that “determines salary on the basis of job post and value creation”, reasonably widen the income gap, and increase the proportion of variable payroll.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

6. Unswervingly focus on risk prevention and control, and enhance the level of risk prevention and control

Taking “production safety special action”, “risk prevention and control special action” and the annual safety and environmental protection work plan as the handhold, to focus on the underlying logic of safety management and strengthen compliance operation and management and control of risks.

To pay close attention to the prevention and control of safety and environmental protection risks. Taking the evolution of safety management system as an opportunity, focus on the basic level and the frontline, concentrate on the basic management, and achieve 100% coverage of the projects within Chinalco, and to carry out special evaluation of safety management in due course to further consolidate the basic management work. To further promote the informatisation construction of safety and environmental protection management, and actively create intelligent and standardised construction sites. To strengthen on-site control over the implementation of SOPs by operating personnel, and to carry out safety and environmental protection inspections and project supervision in parallel.

Deepening the implementation of the “three must audit” work deployment. Adhere to “loss-making projects must be audited, the process of major projects must be audited and the completion of major projects must be audited”, focus on key engineering projects, strengthen the dynamic tracking of projects of RMB50 million or more, carry out completion audits of engineering projects, economic responsibility audits and audits for loss-making projects, pay close attention to the audit and rectification and application of the results, so as to comprehensively improve the quality of audit supervision.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(IV) Potential risks

✓ Applicable ☐ Not applicable

The risks faced by the Company mainly include safety and environmental protection risks in the course of daily operations, cash flow risks, engineering project management risks, reform business transformation risks, market changes and market competition risks.

1. Safety and environmental risks

The Company's safety and environmental protection work mainly faces the following types of risks: Firstly, the implementation of the Company's "five do-not-takes"² regulations in the engineering field and the "eight nos"³ in the market field is not strict, which may lead to the contracting of projects beyond our own qualifications or capabilities; secondly, there is insufficient awareness of safety and environmental concepts, which may result in different environmental professional qualities of safety managers and inadequate performance of safety and environmental duties; thirdly, the safety responsibilities of personnel are not clear and not defined, which may lead to the inability to effectively implement the "three controls and three musts" safety responsibilities.

Preventive and control measures: The first is to organize special rectification on compliance, eliminate the hidden safety hazards from source; the second is sorting out and develop the "Compendium of safety Laws, Regulations and Systems", the "Safety and Environmental Protection Management Handbook", organize and publicize the training and examination at all levels to effectively guide and standardize the safety and environmental behavior of front-line workers; the third is, in strict accordance with the Work Safety Law and the working principle of "three controls and three musts", further improve the work safety responsibility system at all levels, refine and implement the list of safety responsibilities for each level and each professional management position, clarify the boundaries of responsibilities, and carry out evaluation and assessment of duty performance in a regular manner.

² "Five do-not-takes" provisions, namely: do not take on projects where the owner's creditworthiness is poor; do not take on projects with unclear or harsh payment terms; do not take on projects beyond the scope of its own qualifications or capabilities; do not take on projects where the owner's funds are not in place, the source of funds is uncertain or the project approval procedures are incomplete; and do not take on construction projects with small contract amounts and low gross profits.

³ "Eight nos", namely: no "two-headed" trading; no business in the form of processing but trading in nature; no business in the form of affiliation or cooperation with a third party; no "financing" engineering business; no vicious competition within the Company and among enterprises within Chinalco; no unfair competition; no entering into of contracts that cannot be converted for the purpose of fulfilling business targets; and no survey and design enterprises are allowed to undertake general contracting projects for municipal civil construction on their own.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

2. Cash flow risk

Amid the downturn in the construction industry, project settlements and collections have become increasingly challenging. Additionally, our construction subsidiaries previously undertook projects in highly competitive, non-advantageous county-level infrastructure sectors, where clients were predominantly government entities and platform companies.

Preventive and control measures: In 2025, under the overarching framework of integrated financial “centralised fund management,” the Company will further strengthen sales receivable collections and implement a monthly revenue collection budgeting process centred on projects. It will rigorously and meticulously enhance the closed-loop control of project settlement and collection responsibilities, enforce mandatory budgeting for timely contract payments, and reduce cumulative negative balances. These measures aim to ensure effective management of the Company’s fund inflows and outflows. With a core focus on achieving a 110% sales collection rate, recovering outstanding receivables, and prioritising collections for key projects, the Company will treat “collections” as the most critical tool for managing annual cash flow, thereby mitigating any potential cash flow risks.

3. Engineering project management risks

The implementation of projects is constrained by various factors such as schedule, supply chain, market price, labor, among other factors, and there are risk factors such as lagging progress, advancing funds for construction and project quality issues in the implementation of the project.

Preventive and control measures: Firstly, strictly control risks at the source, strengthen risk awareness and undertake high-quality contracts; secondly, strengthen project quality management, take the requirement of “no occurrence of Class A quality incidents” as the basis, carry out project quality improvement activities, implement the “smart construction site” management model, and improve project performance quality; thirdly, fully implement the requirements of project standardization manual and project essential safety implementation opinions, strengthen project planning and management, figure out issues of the project in advance, solve the potential risks in time, and implement the three-level management and control mode of “Company – Affiliated Enterprises – Project Departments”, so as to ensure that the project will be performed on schedule; fourthly, establish a weekly scheduling system for production and operation, which is centered on the annual production and operation targets, and regularly convenes production and operation scheduling meetings with a problem-solving orientation; fifthly, strengthen supervision and inspection, increase the level of management of key projects, set up a touring supervision working group, supervise the performance of key projects, make suggestions on existing issues, and collaborate with enterprises to solve existing project difficulties.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

4. Reform and business transformation risk

The Company may face the following types of risks in the course of its reform and business transformation: First, strategic decision-making risk. The lack of sufficient research and argumentation in the strategic decision-making process will increase the probability of strategic errors and put the enterprise in the predicament of resource mismatch and operational inefficiency; second, the organizational structure risk. Unreasonable structure and staffing could not only increase labor costs, but may also weaken the core competitiveness of the enterprise; third, the risk of personnel changes. Employees' lack of understanding and support for the reform may trigger resistance, leading to frustration of motivation and loss of key positions, affecting the sustainable development of the enterprise.

Preventive and control measures: Firstly, strengthen the organizational leadership of reform. The Company's leading group for deepening reform leads the work of deepening reform in a unified manner, studies and discusses the Company's major reform programs and risk response measures, and coordinates and solves the key and difficult issues in the Company's reform; secondly, strengthen of the supervision and promotion of reform. The Company regularly convenes regular meetings on reform, informs the progress of various reform tasks, and urges the relevant departments and responsible units to accelerate the reform; thirdly, focus on key breakthroughs. Aiming at key and difficult reform tasks, special reform lead departments to establish a list of supervisory tasks, break down the implementation plan, carry out in-depth analysis of existing issues, clarify the direction of efforts, refine specific measures to promote the implementation of key reform initiatives in place; fourthly, strengthen the assessment and evaluation for reform. Focus on the assessment requirements of the SASAC and Chinalco, strengthen the assessment of the completion of the reform, and carry out regular assessment and evaluation of the reform work; fifthly, we will comprehensively sort out the risks of reform and formulate the relevant preventive and control plans, so as to ensure that by planning in advance, we can react quickly and effectively when risks occur.

5. Market changes and market competition risks

Non-ferrous metal industry is the traditional main business of Chalieceo, but due to the impact of a series of national policies such as "dual-carbon target", "dual-control of energy consumption", "aluminum production capacity ceiling", etc., the market for new construction projects in the non-ferrous industry is facing a shrinkage. The market for new projects in the non-ferrous industry is shrinking, and the industry's development mode is changing from scale expansion to optimization of the stock, and from the input of low-cost resources and factors to innovation-driven, quality-enhancing, high-quality development, green development and intelligent development. The target market of the industry has also underwent profound changes, from incremental to stock-based, from new projects to project relocation, technological transformation, industrial upgrading and technical services, all of which will bring new challenges to Chalieceo.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Preventive and control measures: First, scientifically formulate annual marketing assessment and incentive indicators, conduct dynamic tracking and supervision, conduct monthly comparison and inspection, issue early warnings at the end of each quarter, identify issues and take coordinated measures to complete rectifications; second, strengthen customer management, improve the management ledger and evaluation system of key customers, formulate customer visit plan lists and do a good job in visits of key customers by the linkage and coordination of two levels of enterprise; third, deepen marketing collaboration, coordinate the development of projects within the Group, share newly developed market resources, increase the efforts of upstream and downstream enterprises to jointly develop the market, and obtain incremental orders; fourth, deepen science and technology marketing, strengthen the “technology +” model, rely on advantageous core technologies, develop new customers and expand market share; fifth, strengthen EPC general contracting capabilities and market exploration, enhance professional operation capabilities such as mining, technical transformation and operation and maintenance; sixth, promote full-staff marketing, implement positive incentives, implement the concept of full-staff marketing at all levels of the company, create a full-staff marketing atmosphere, and fully mobilize the enthusiasm of employees.

(V) Others

☐ Applicable ☒ Not applicable

VII. OTHER DISCLOSURES

(I) Principal business

The Group’s businesses mainly include design consulting, EPC project general contracting and construction and equipment manufacturing. Details of major subsidiaries, associates and joint ventures of the Company are set out in Note “7. EQUITY IN OTHER ENTITIES”.

(II) Business review

A review of the Group’s business during the year, potential risks, discussion of future business development and the relationships with employees, customers and suppliers are set out in “Section IV Management Discussion and Analysis (Report of the Board)”, and the Group’s financial and operating conditions are also analyzed using key financial indicators. For information on compliance with relevant laws and regulations that have a significant impact on the Group, please refer to “Section V Corporate Governance (Corporate Governance Report)” of this report. For the social responsibility and environmental protection matters of the Group during the year, please refer to “Section VII Environmental and Social Responsibilities” of this report. For details of major events affecting the Group, please refer to “Section VIII Key Matters” of this report.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(III) Explanation on the major relationship between the Company and its employees, customers, suppliers and other parties with significant influence on the Company

- 1. The Company and its employees.** The Company is always protecting employees' interests, committed to establishing "sunny, sincere, simple, and friendly" relationships with employees, implementing employees care projects, taking care of the living and working conditions of basic workers, offering fair career opportunities and competitive salary system and cozy interpersonal environment for employees. The Company fights against forced labour, harassment and abuse, strictly implements the Labour Law, the Labour Contract Law, the Social Insurance Law, and the Law on the Protection of Women's Rights and Interests, respects the human rights of employees, and prohibits child labour and forced labour. In 2024, there were no major labour disputes or human rights complaints. The Company offers employees fair wages and benefits, and pays social insurance and provident funds for employees in accordance with the law. The Company establishes a corporate annuity system to provide further pension security for retired employees. The Company vigorously protects employees' life and health rights, implements employee health examinations, special physical examinations for female employees and special positions. The Company insists on democratic management, and gives full play to the role of corporate democratic management, democratic supervision and democratic decision-making in the basic form of workers' congress. The Company actively carries out rational suggestion activities.

The Company provides a growth platform for its employees, meets their requirements for self-development and continuous improvement, insists on guiding the employees with advanced concepts and cultivating them with excellent styles. The Company remains steadfast in its commitment to enhancing the recruitment of high-calibre talent and innovating their utilisation models. In line with the demands of key projects and critical areas, the Company has developed a targeted talent acquisition strategy to ensure precision in recruitment. It has established an attractive compensation framework and introduced a differentiated evaluation system for high-level talent. Furthermore, the Company has implemented a comprehensive lifecycle development programme for top-tier professionals and a dynamic adjustment mechanism to optimise their deployment. By maintaining a thorough overview of the human resources landscape across its business units, the Company has strengthened its data analysis capabilities and talent inventory management. This strategic approach enables a structured and phased enhancement of human resources support for emerging directions, new business models, and evolving market opportunities. The company insists on building a official team that matches old, middle-aged and young people, and makes good use of officials of all ages. Plan the establishment of a team of outstanding young officials in a comprehensive manner, focus on selecting officials who have experience working in the front line in basic level, key positions, reform and development, complex environments and difficult areas, and who have achieved performance recognized by the majority of officials and employees, and focus on strengthening the cultivation of outstanding young officials. Provide employees with a broad platform and space for development, formulate



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

a series of employee training programs and performance appraisal methods, and clarify the cultivation methods. The Company advocates a sustainable and intensive approach to talent development, establishing a “five-level, four-tier” technical position model. It has built a career development system encompassing four key talent categories: scientific research, market development, project management, and overseas expertise. This initiative strengthens the development of talent across all levels and categories, while refining the Company’s career development framework, mechanisms, and supporting policies.

The Company has announced a large training system comprises the “Star Shining Project” for scientific research talents, the “Deep Blue Project” for overseas talents, the “Deer Chasing Project” for marketing personnel, the “Solid Rock Project” for project management personnel, the “Elite Project” for middle management officers, the “Craftsmanship Project” for technical talents, the “Mount Taishan Project” for safety production, and the “Star Picking Project” for excellent headquarters construction training programme, expanding the large training ideas of “addition, subtraction, multiplication and division” and the corresponding implementation measures. Firstly, to do a good job of “addition” in large training. To search for experts in the field, integrate internal training resources and mobilize teachers to organize the “Chalieco Lecture Hall”; through the establishment of an internal trainer management mechanism, optimizing course design, evaluating the training effect and other measures, achieving knowledge transfer and sharing of the content of the “Chalieco Lecture Hall” among the affiliated enterprises, so as to achieve the cumulative effect of “many a little makes a mickle”, and to better stimulate the enthusiasm of the internal trainers and the enthusiasm of the trainees to participate in the lecture hall. Secondly, to do a good job of “subtraction” in large training. To monitor the annual budget, select external training organisations, fully polish the courses, plan the study schedule and control training costs; give full play to the learning effectiveness of the network platform and mobile phone APP, set up a correct, efficient, scientific and reasonable learning orientation, and advocate the use of fragmented time and spare time for learning, and further promote cost reduction and efficiency improvement in training work. Thirdly, to do a good job of “multiplication” in large training. Targeting at the above seven categories of talents, carry out thematic and specialised professional training, targeting and focusing on improving the business capacity of talents in the relevant fields, generate endogenous motivation and benchmarking awareness from the inside to the outside through external courses and on-site training from the outside to the inside, so as to change from “I have to learn” to “I want to learn”, and from “I have to benchmark” to “I want to benchmark”, thus doubling the training effect. Fourthly, to do a good job of “division” in large training. Comprehensively improve the business capability and professionalism of headquarters management personnel, constantly innovate the concepts, mechanisms and methods for training, revitalise training resources, optimise training configuration, accelerate the output of training effect, empower management level improvement, and achieve the quality enhancement and upgrade of training work. In 2024, a total of 41,526 person-times were trained, with an investment of RMB14.6143 million and a training duration of 511,029 hours.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

2. **The Company and its customers.** The Group takes the provision of satisfactory products and services to its customers and the creation of values for its customers as its corporate faith. As such, we have established a result-oriented executive team to develop an executive culture which takes customer value as its faith, and we have an established customer maintenance and service system in place. We have been dedicated to continuously upgrading our products and services for maximizing our customers' values, enabling the mutual benefits and mutual development between the Group and its customers. For major customers within the Group, a liaison officer stationing mechanism has been implemented to strengthen communication and coordination with the operating units within the Group, actively intervene in the front-end planning and top-level design of projects, so as to quickly respond to customers' needs and provide high-quality, full-process services. All major customers are classified into categories, with category A being Chalieco level, category B being the affiliated enterprises level, and category C being new major customers, and major customer archives are established to ensure the quality of customer services through dynamic management. We strengthened the promotion and introduction targeted at overseas major customers, actively participated in exhibitions, forums and important conferences, and hosted the annual conferences of the International Non-ferrous Industries Union and Indonesian mining enterprises, laying a solid foundation for the sustainable development of overseas markets.
3. **The Company and its suppliers.** The Group insists on the supply chain management principle of "selection on the basis of merit, elimination of the worst and survival of the best, cooperating for mutual benefits and mutual development", manages suppliers through the e-commerce procurement platform, and the Group has established a database of procurement costs and categorized management on varieties of procurement, built and improved the appraisal system, incentive mechanism and elimination mechanism of suppliers, and promoted the consistent improvement on the supplying capacity of suppliers so as to realize the mutual benefits and mutual development between the Group and its suppliers. In 2024, the Company enhanced the management level of supplier and subcontractor access, reviewed and screened the database of "two vendors", optimised the list of "two vendors", and carried out dynamic evaluation to ensure the quality of "two vendors". In 2024, the Company actively promoted the work of centralised purchasing, sorted out and optimised the tendering and purchasing process, strengthened the rigid implementation of the Group's centralised purchasing system, and realised standardised management of centralised purchasing plans and settlements.
4. **The Company, the governments and large enterprises as business partners.** In respect of the development of the domestic business, the Company focuses on the reinforcement of a profound connection with local governments and well-known enterprises. The Group underwent in-depth exchanges with local governments in cities such as Zhengzhou, Changsha, Xianyang, Guiyang, Luoyang and Kunming on business activities, established cooperative partnerships with large-scale enterprises and commenced cooperation on areas such as transport, municipal and civil construction, etc. In 2024, the Company strengthened communication with key customers such as Chalco, China Copper, Chinalco Advanced Manufacturing, Shanghai Huafon Aluminium, Shaanxi Non-ferrous Metals, Yunnan Tin and Wanji Holding, and explored the scope of further co-operation.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

In terms of overseas business development, the Company has strengthened cooperation with world-renowned non-ferrous metal enterprises, and has launched in-depth communication and exchanges with many large enterprises such as MIND ID Group in Indonesia, PT BAI in Indonesia, PT Kalimantan Aluminium Industry in Indonesia, Vinacomin Group, Viet Huong Group, Rio Tinto Group, Simfer S.A. in Guinea, Aluminum Oxide Company of Guinea and Aluminum Company of Azerbaijan, and has promoted a series of technical cooperation.

(IV) The Company's environmental policy and performance

For details, please refer to "Section VII Environmental and Social Responsibilities" of this report.

(V) Material events after the end of the financial year

None

(VI) Issue of shares by the Company during the Reporting Period

For details of the shares issued by the Company during the Reporting Period, please refer to "I. CHANGES IN ORDINARY SHARE CAPITAL" in "SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS" of this report.

(VII) Issue of bonds by the Company during the Reporting Period

For details on the issuance of debentures by the Company during the Reporting Period, please refer to "Particulars of financing arrangements" in "V. Main Operations within the Reporting Period" in this section.

(VIII) Results

The audited results of the Company and its subsidiaries for the year ended 31 December 2024 are set out in the consolidated income statement enclosed hereinafter. The financial positions of the Company and its subsidiaries as at 31 December 2024 are set out in the consolidated balance sheet enclosed hereinafter. The consolidated cash flows of the Company and its subsidiaries for the year ended 31 December 2024 are set out in the consolidated statement of cash flows enclosed hereinafter. Results performance, discussion and analysis of important factors affecting results and financial position of the Group for the year are set out in Section IV "Management Discussion and Analysis (Report of the Board)" of this annual report.

(IX) Property, plant and equipment

Details of movements in property, plant and equipment of the Company and its subsidiaries for the year are set out in Note 16 "Fixed assets" under "5. Notes to the Consolidated Financial Statements".



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(X) Share capital

As of 31 December 2024, the Company had a total share capital of RMB2,985,836,267, divided into 2,985,836,267 shares (including 399,476,000 H shares and 2,586,360,267 A shares) at the nominal value of RMB1.00 per share.

(XI) Taxation

Current and deferred income tax

The tax expense during this Reporting Period comprises current and deferred income tax. Income tax is recognized in the income statement, except for the taxation relating to items recognized in other comprehensive income or directly in equity, which is recognized in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries/associates operate and generate taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and makes provision for tax payable based on tax amounts expected to be paid to the tax authorities where applicable.

Deferred income tax is determined using the liability method, and provision for deferred income tax is made on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not recognized if it arises from the initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profits or losses. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising from the Group's investments in subsidiaries and associates, while the deferred income tax liability is not recognized where there is evidence that the timing of the reversal of the temporary differences is controlled by the Group and it is probable that such temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets and deferred income tax liabilities are shown on a net basis after offsetting when meeting all the following conditions: the Group has the legally enforceable right to settle current income tax assets and current income tax liabilities; and the deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

For details, please refer to the notes to the financial report of this report “(30) Deferred income tax assets/deferred income tax liabilities”.

Value-added tax

Sales of goods of the Group are subject to VAT. VAT payable is determined by the taxable sales calculated by applying the applicable tax rates on the taxable revenue arising from sales of goods and provision of service after deducting deductible input VAT of the period. The VAT rate for the sales of goods business of the Group is 13% throughout 2024. The applicable VAT rate for the modern service industry in 2024, including design, is 6%.

According to the Circular on “Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax” (Cai Shui [2016] No.36) jointly released by the Ministry of Finance and the State Administration of Taxation, effective from 1 May 2016, the Group’s revenue from providing construction services is subject to a VAT at a tax rate of 9% throughout 2024.

For details, please refer to the notes to the financial report of this report “(31) Taxes Payable”.

(XII) Reserves

The details of movements in reserves of the Group and the Company during the year are set out in the accompanying consolidated financial statements, namely the “CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF SHAREHOLDERS” and the “STATEMENT OF CHANGES IN EQUITY OF SHAREHOLDERS OF THE PARENT” of this report, respectively. Under the “Company Law of the People’s Republic of China”, after deducting the statutory surplus, the undistributed profit can be used for dividend distribution. As at 31 December 2024, the undistributed profit of the parent company amounted to a loss of RMB390.944 million, and did not fulfill the conditions for dividend distribution.

(XIII) Events after the balance sheet date

There was no other significant subsequent event after 31 December 2024.

(XIV) Profit distribution and proposed dividend

For details, please refer to “XV. Proposal for Profit Distribution or for Converting Capital Reserve into Share Capital” under “Section V Corporate Governance (Corporate Governance Report)” of this report.

(XV) Purchase, redemption or sale of listed securities

Nil



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(XVI) Use of proceeds

The total amount of proceeds from the Listing of H Shares of the Company was HK\$1.318 billion. As of 31 December 2014, our proceeds had been fully utilized. Such proceeds were primarily used in the industrialization of the Company and overseas engineering projects in compliance with the use of proceeds as disclosed in the Prospectus.

The total amount of proceeds from the Listing of A Shares of the Company was RMB1.021 billion. After deducting various issuance expenses of approximately RMB41 million, the net proceeds were RMB980 million. As of 31 December 2019, our proceeds had been fully utilized. Such proceeds were used to supplement the operating capital of the construction contracting business in compliance with the use of proceeds as disclosed in the Prospectus.

(XVII) Major customers and suppliers

For details, please refer to the analysis as set out in the “(7) Particulars of major customers and major suppliers” under “Section IV Management Discussion and Analysis (Report of the Board)” of this report.

(XVIII) Bank borrowings and other borrowings

Details of bank borrowings and other borrowings of the Company and its subsidiaries as at 31 December 2024 are set out in “(XXV) Short-term Borrowings” and “(XXXV) Long-term Borrowings” under “V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS” in the consolidated financial statements.

(XIX) Equity-linked agreements

As of 31 December 2024, the Group did not enter into any equity-linked agreements that would or could result in the issue of Shares by the Company.

(XX) List of Directors, Supervisors and senior management

For details, please refer to “VIII. Particulars of Directors, Supervisors and Senior Management” under “Section V Corporate Governance (Corporate Governance Report)” of this report.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(XXI) Directors' and Supervisors' service contracts

The Company entered into service contracts with each Director, the details of which mainly consist of: (1) the term from 8 April 2022 to the time of conclusion of the general meeting for electing the directors to the next session of the Board of Directors (Mr. ZHANG Wenjun resigned as a non-executive Director of the Company with effect from 11 April 2023, his service contract is valid from 8 April 2022 to 11 April 2023; Mr. HU Zhenjie resigned as a non-executive director of the company from 22 August 2023, his service contract is valid from 8 April 2022 to 22 August 2023; Mr. LIU Ruiping resigned as an executive director of the Company with effect from 18 June 2024, his service contract is valid from 8 April 2022 to 18 June 2024; Mr. ZHOU Xinzhe resigned as a non-executive director of the Company with effect from 18 June 2024, his service contract is valid from 8 April 2022 to 18 June 2024; Mr. GUI Weihua resigned as an independent non-executive director of the Company with effect from 18 June 2024; Mr. GUI Weihua resigned as an independent non-executive director of the Company from June 18, 2024, his service contract is valid from April 8, 2022 to June 18, 2024. Ms. ZHAO Hongmei was appointed as an executive Director of the Company on 28 December 2023, and her service contract was effective from 28 December 2023; Mr. ZHANG Decheng was appointed as a non-executive Director of the Company on 28 December 2023, and his service contract was effective from 28 December 2023); Mr. LIU Dongjun was appointed as an executive director of the Company with effect from 18 June 2024, his service contract commenced from 18 June 2024; Mr. YANG Xu was appointed as a non-executive director of the Company with effect from 18 June 2024, his service contract commenced from 18 June 2024; Mr. ZHANG Tingan was appointed as an independent non-executive director of the Company with effect from 18 June 2024, his service contract commenced from 18 June 2024; and (2) termination subject to the terms of each contract.

For compliance with relevant regulations and the Articles of Association and the provisions of arbitration, the Company had entered into contracts with each Supervisor.

Save as disclosed above, none of Directors and Supervisors entered into a service contract with the Company which was not determinable by the Company within one year without payment of compensation (other than statutory compensation).

(XXII) Remuneration of Directors, Supervisors and senior management

For details, please refer to "Particulars of Directors, Supervisors and Senior Management" under "Section V Corporate Governance (Corporate Governance Report)" of this report.

(XXIII) Material interests of the Directors and Supervisors in contracts, transactions or arrangements

During the Reporting Period, none of Directors, Supervisors or other connected entities had directly or indirectly entered into significant contracts, transactions or arrangements in which they have material interests with the Company.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(XXIV) Directors' interests in competing business

During 2024, none of Directors or their associates had any competing interest in any business which competes or may compete, directly or indirectly, with the Group's business.

(XXV) Resignation of directors

For details, please refer to "VIII. Particulars of Directors, Supervisors and Senior Management" under "Section V Corporate Governance (Corporate Governance Report)" of this report.

(XXVI) Director's, Supervisors' and senior management's interests and short positions in Shares, underlying Shares and debentures

As of 31 December 2024, the interests held by directors, supervisors and chief executive of the Company's are as follow:

Name	Position	Nature of Interest	Number of A shares held in the Company	% of total share capital as of 31 December 2024
LI Yihua	Chairman, Executive Director	Beneficial owner	267,400 shares	0.01%
LIU Jing	Executive Director, General Manager	Beneficial owner	267,400 shares	0.01%
LIU Dongjun	Executive Director	Beneficial owner	200,600 shares	0.01%
ZHAO Hongmei	Executive Director	Beneficial owner	200,600 shares	0.01%

The above interests beneficially owned by Mr. LI Yihua, Mr. LIU Jing, Mr. LIU Dongjun and Ms. ZHAO Hongmei are all interests granted to them by the Company under the 2023 Restricted Share Incentive Scheme.

Save as disclosed above, at 31 December 2024, none of the Directors, Supervisors and senior management of the Company had any other interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director, Supervisor, and senior management was taken or deemed to have under such provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the HKEX.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(XXVII) Directors' insurance

As of the date of this report, the Company has purchased effective directors insurance for (existing and resigned) Directors.

(XXVIII) Permitted indemnity

The Company has arranged sufficient and proper insurance for Directors to better perform their responsibilities and risk aversion pursuant to the provision A.1.8 of the Corporate Governance Code as contained in Appendix C1 to the HKEX Listing Rules. Save for the above, during the financial year of 2024 and as at the date of this annual report, the Company has no other provision of permitted indemnity (as defined in Section 470 of the Companies Ordinance).

(XXIX) Directors' interests

At no time during the year and up to the date of this annual report was the Company or any of its subsidiaries or holding company or any subsidiaries of the Company's holding company a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares or debentures of the Company or any other body corporate, and none of the Directors or their spouse and children under the age of 18 was given any right to subscribe the shares or debt securities of the Company or other bodies corporate, or had exercised any such rights.

(XXX) Financial, business and family relationships among the Board, Supervisors and senior management

As at the date of this report, there were no financial, business or family relationships among members of the Board, Supervisors and senior management of the Company.

(XXXI) Share incentives acquired by Directors, Supervisors and senior management

In October 2013, the Company implemented share appreciation rights scheme targeting on specific Directors, senior management and management officers and key employees who made significant influence on the development of the Company. As of October 2017, the initial grant scheme became invalid. The Company has not again granted new share appreciation rights and any other forms of share incentive.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

The Company disclosed the “Announcement of China Aluminum International Engineering Corporation Limited on the Initial Grant of Restricted Shares to the Participants of the Company’s 2023 Restricted Share Incentive Scheme” on 18 June 2024. The conditions for the grant of restricted shares as stipulated in the “China Aluminum International Engineering Corporation Limited 2023 Restricted Share Incentive Scheme” were fulfilled. In accordance with the authorization of the Company’s 2023 annual general meeting, the first A Share class meeting of 2024 and the first H Share class meeting of 2024, the Company convened the Twenty-first Meeting of the Fourth Session of the Board of Directors on 18 June 2024 and considered and passed the “Proposal in Relation to the Initial Grant to Participants of the Company’s 2023 Restricted Share Incentive Scheme”. The Board of Directors considered the conditions for the grant under the 2023 Restricted Share Incentive Scheme had been fulfilled and it was agreed that the first grant date of the restricted shares would be 18 June 2024. The Company disclosed the “Announcement of China Aluminum International Engineering Corporation Limited on Completion of Registration of the Grant Under the 2023 Restricted Share Incentive Scheme” on 29 July 2024, and the Company completed the registration of the initial grant of part of the restricted shares under the Company’s 2023 Restricted Share Incentive Scheme with the Shanghai Branch of the CSDCC on 26 July 2024, and 26,769,600 restricted shares were granted to 237 incentive participants.

For details of the share incentives received by Directors and senior management under the 2023 Restricted Share Incentive Scheme, please refer to “(III) Equity Incentives Granted to Directors and Senior Management During the Reporting Period” in “Section V. Corporate Governance (Corporate Governance Report)” of this report.

Other than the Share Appreciation Rights Scheme and the 2023 Restricted Share Incentive Scheme above, the Company has not granted any new share appreciation rights or any other form of share incentives to Directors, Supervisors or senior management.

(XXXII) Substantial Shareholders’ interests in Shares

For details, please refer to “III. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER” under “Section IX Changes in Ordinary Shares and Shareholders” of this report.

(XXXIII) Compliance with OFAC undertakings

During the Listing of the Company, an undertaking was made to the HKEX by the Company that the Company would not use any proceeds from the Global Offering and any other fund raised through the HKEX for any country or region subject to broad and comprehensive economic sanctions by the United States or other jurisdictions. During the Reporting Period, the Company issued the list of relevant sanctioned countries to the business department to forbid the Company from conducting any business with the sanctioned countries, regions or organizations and organized training on relevant legal knowledge. Hence, the Directors of the Company confirmed that the Company strictly complied with the OFAC Undertakings since the time of H shares listing. Since 2 June 2012, there is no application of any such proceed in any of the country or region subject to broad and comprehensive economic sanctions by the United States or other jurisdictions, and the Company will continue to honour OFAC commitments in the its day-to-day operations.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(XXXIV) Management contracts

During 2024, the Company did not sign or enter into any contract in respect of the management and administration of all or any substantial part of its business.

(XXXV) Related party (Connected) transactions

For details, please refer to “XII. Significant Related Party (Connected) Transactions” under “Section VIII Key Matters” of this report.

(XXXVI) Compliance with Non-competition Agreement

For details, please refer to “III. Specific measures of the controlling shareholder or the actual controller to ensure the independence in the company’s assets, staff, finance, organization, operation and others, as well as the solutions, work progress and subsequent work plan to affect such independence” under “Section V Corporate Governance (Corporate Governance Report)” of this report.

(XXXVII) Directors’ and Supervisors’ rights to acquire Shares or debentures

As at the end of 2024, no right to acquire shares in or debentures of the Company or any other body corporate were granted to any Directors or Supervisors or their associates by the Company or any of its subsidiaries or were any such rights exercised by them.

(XXXVIII) Retirement and employees benefit scheme

For details, please refer to “XIV. Particulars of Employees of the Parent Company and Major Subsidiaries at the End of Reporting Period” under “Section V Corporate Governance (Corporate Governance Report)” of this report.

(XXXIX) Compliance with Corporate Governance Codes

For details, please refer to “(I) Company’s Compliance with the Corporate Governance Code” under “Section V Corporate Governance (Corporate Governance Report)” of this report.

(XL) Board diversification policy

For details, please refer to “VII. The Board of Directors” under “Section V Corporate Governance (Corporate Governance Report)” of this report.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

(XLI) Compliance with major laws and regulations

For details, please refer to “IV. Compliance with Major Laws and Regulations and Promoting the Construction of Corporate Legal Governance” under “Section V Corporate Governance (Corporate Governance Report)” of this report.

(XLII) Promoting the Construction of Corporate Legal Governance

For details, please refer to “IV. Compliance with Major Laws and Regulations and Promoting the Construction of Corporate Legal Governance” under “Section V Corporate Governance (Corporate Governance Report)” of this report.

(XLIII) Revision to the Articles of Association during the Reporting Period

For details, please refer to “(VI) Others” under “Section V Corporate Governance (Corporate Governance Report)” of this report.

(XLIV) Audit Committee

The audit committee of the Company has reviewed the 2024 annual results and the consolidated financial statements of the Group for the year ended 31 December 2024 prepared in accordance with the China Accounting Standards for Business Enterprises.

(XLV) Auditor’s remuneration

For details on the auditor’s remuneration, see “Appointment and Removal of the Auditor” under “Section V Key Matters” of this report.

(XLVI) Five-year financial summary

For details of the summary of the Group’s operating results and assets for the past five financial years, please refer to “Section XIII Five-year Performance Summary” of this report.

(XLVII) Taxes on dividends

For details of the Company’s cash dividend proposal for the Reporting Period, please refer to “XV. Proposal for Profit Distribution or for Converting Capital Reserve into Share Capital” under “Section V Corporate Governance (Corporate Governance Report)” of this report.



SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

Under the “Corporate Income Tax Law of the People’s Republic of China” effective from 1 January 2008, the Company shall withhold corporate income tax at the rate of 10% when distributing cash dividends to non-resident corporate shareholders listed in shareholder register for H shares. Any H shares registered in the name of non-individual shareholders (including HKSCC Nominee Limited, other nominees, agents or trustees, other organizations and groups) are deemed held by non-resident corporate shareholders. Therefore, dividends due to these shareholders are subject to the withholding of corporate income tax. Any H-share shareholder intending to change their shareholder status should inquire about relevant formalities with their agents or trustees.

If the individual shareholder of H shares is a resident of a country that has entered into a tax agreement with China with a dividend tax rate of less than 10%, the Company will withhold the individual income tax on dividends at a tax rate of 10%. If the individual shareholder of H shares is a resident of a country that has entered into a tax agreement with China with a dividend tax rate of less than 10%, the Company will withhold the individual income tax on dividends at a tax rate of 10%. In respect of this, if any relevant individual shareholder of H shares intends to apply for the refund of excess tax withheld (“excess amount”), the Company may apply for the agreed preferential tax rate on his/her behalf pursuant to the tax treaty, provided that relevant shareholder shall within the specified time period, submit to the H share register of the Company the certificate set forth in the tax treaty notice, and subject to the audit and approval of the competent tax authority, the Company will offer assistance in the refund of the excess amount. If the individual shareholder of H shares is a resident of a country that has entered into a tax treaty with the PRC with a tax rate of more than 10% but less than 20% on dividends, the Company will withhold individual income tax at the actual tax rate specified in the tax treaty. The Company will ultimately withhold individual income tax at 20% if the individual shareholder of H shares is a resident of a country that has entered into a tax treaty with the PRC with a 20% tax rate on dividends, or a resident of a country that has not entered into any tax treaty with the PRC, or in any other circumstance.

According to the Notice on Issues Concerning the Policy of Differentiated Individual Income Taxes on Dividends and Bonuses of Listed Companies (Cai Shui [2015] No.101) 《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號), where an individual acquired stocks in a listed company on the public offering and transfer market, dividends income of the individual are fully included in his/her taxable income if he/she has held the stocks within one month (inclusive), are 50% included in his/her taxable income on a provisional basis if he/she has held the stocks for longer than one month and up to one year (individual income tax rate is 20% for the above cases), and are exempted from individual income tax if he/she has held the stocks for longer than one year.

VIII. FAILURE TO MAKE DISCLOSURE UNDER THE STANDARDS DUE TO THE INAPPLICABILITY OF THE STANDARDS TO THE COMPANY, STATE SECRETS, TRADE SECRETES AND OTHER SPECIAL REASONS

☐ Applicable ☒ Not applicable



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

I. PARTICULARS IN RELATION TO CORPORATE GOVERNANCE

✓ Applicable ☐ Not applicable

During the Reporting Period, the Company operated in strict compliance with laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, as well as the administrative regulations promulgated by CSRC and the rules and regulations formulated by the SSE and the Stock Exchange, and established a standardized and improved corporate governance structure, effectively constructed a set of systematic and complete corporate governance system, continuously tracked the latest legislative developments, and thoroughly implemented the latest national corporate governance requirements, and continuously revised the corporate governance system to maintain its scientific, rational and effective nature. In 2024, The Company was awarded the "2024 Typical Practice Cases of the Board of Directors of Listed Companies" by China Association of Listed Companies. The Company achieved outstanding results in the 2024 ESG rating of listed companies held by central state-owned enterprises, reaching the five-star excellence level; the Company has been listed in the "ESG Pioneer 100 Index of Listed Companies affiliated to Central State-owned Enterprises" for two consecutive years, won the "Science and Technology Innovation Pioneer Award in the ESG Golden Bull Award", and was selected as one of the "Top 20 Governance Enterprises in the Second Guoxin Cup ESG Golden Bull Award".

(I) Continuously improve the corporate governance system and enhance the level of corporate governance

In 2024, the Company continued to improve its governance system with the Articles of Association at its core. Combining the daily operation of corporate governance practices, we revised the Articles of Association, formulated the Management System for Resolutions of the Board of Directors, and an Annual Plan for Meetings of the Board of Directors, further consolidated the foundation of the corporate governance system and improved the standardization of resolutions of the Board of Directors and the planning of the meetings of Board of Directors, providing strong safeguards for the governance and standardized operation of the Company from different dimensions and levels.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(II) Investor demand-oriented, lawful and compliant information disclosure

The Company has always adhered to the bottom line of legal compliance, insisted on high quality and high standard conveyance of the Company's value, so as to enhance the level of standardized operation. During the Reporting Period, 109 announcements and related documents for A-share, 134 announcements and related documents in Chinese and 61 announcements and related documents in English for H-share were completed, demonstrating the effectiveness of the Company's business development from multiple perspectives and in an all-round manner in the form of regular reports and ad hoc announcements, timely indicate the risks that the Company may face. In preparing the announcements, we fully considered the information needs of market participants, strived to use concise, clear and easy-to-understand language, and adopted a combination of qualitative and quantitative methods in the regular reports to improve the readability and comprehensibility of the information, so as to enable investors to obtain more information useful for decision-making.

(III) Strengthening interaction and communication with investors to enhance market recognition and value realization of listed companies

The Company holds our stance to timely respond to issues of market concern in a responsive, meticulous and frank manner as always to precisely convey the Company's investment value, and build a positive, harmonious and benign interactive relationship with a full array of investors. In 2024, the Company held three performance briefings, which adopted the video-recorded broadcasting combined with the network text interaction, actively circulated the Company's performance and operational highlights, replied to investor queries, and continuously deepened the investors' value recognition of the Company. Key minority representatives such as the chairman, general manager, financial controller, secretary to the board of directors and independent director attended each performance briefing. The Company strictly scrutinizes the information communicated to the outside world and complies with laws and regulations and the relevant provisions of regulatory agencies in its investor relations management. We participated in one collective reverse roadshow; held one "Visiting Listed Companies" reverse event; held two analyst research meetings, and participated in two brokerage strategy meetings; we participated in one dialogue with entrepreneurs event organized by a brokerage, and exchanged views on the non-ferrous industry; we visited shareholders four times; held two analyst meetings; and the response rate to investors' questions on the SSE E-interactive platform was 100%.

Whether the Company's corporate governance deviated materially from relevant CSRC requirements?
If any, provide the reason

☐ Applicable ☒ Not applicable



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

II. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

(I) Company's Compliance with the Corporate Governance Code

The Company adhered to maintain a high standard of corporate governance as a listed company on the HKEX. During the year ended 31 December 2024, the Company has complied with all code provisions set out in the Corporate Governance Code contained in Appendix C1 to the HKEX Listing Rules, and adopted its recommended best practice proposed therein as appropriate.

(II) Risk Management and Internal Control of the Company

The Company has attached prime importance to internal control. The Company believes that good internal control plays an important role in corporate operations. The Company has established Audit Committee and Risk Management Committee to perform internal audit functions and conduct analysis and independent assessments on the adequacy and effectiveness of the risk management and internal control systems of the Company. The Board is ultimately responsible for the internal control, risk management and compliance management of the Company. It makes decisions for internal control, risk management and compliance policies and reviews the effectiveness of such policies, as well as monitoring the design, implementation and supervision of risk management and internal control systems by the Board. The Board also approves the internal control assessment report, risk assessment and management report for the year, reviews the resources, employees' qualifications and experiences in respect of the accounting, internal audit and financial reporting functions, as well as the adequacy of training courses received by employees and the relevant budget. In 2024, the risk management and internal control systems of the Company and its subsidiaries, including financial control, operation control and compliance control, were reviewed by the Board.

The Company conducted two internal control walkthrough test in 2024 and did not identify any material and significant deficiency. The Board considers that such risk management and control systems are adequate and effective.

In terms of rules and regulations, the Company consecutively formulated various internal control measures of the Company, such as the "Implementing Rules of Overall Risk Management of China Aluminum International Engineering Corporation Limited" (《中鋁國際工程股份有限公司全面風險管理實施細則》), the "Implementing Rules of Three Majors and One Significant "Decision-making System" of Chalieco" (《中鋁國際「三重一大」決策事項制度實施細則》), the "Rules for Construction and Supervision of Internal Control System of Chalieco International Engineering Company Limited" and the Implementation Rules of China Aluminum International Engineering Corporation Limited for Internal Control Evaluation.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

The effective implementation of the internal systems ensured the orderly development of the Company's operating and management activities as well as effective risks control, safeguarded the security and integrity of the Company's property and guaranteed the realization of the Company's operating and management objectives.

In terms of organizational structure, the Company has established the department of legal affairs and compliance which is responsible for legal affairs, comprehensive risk management, and accountability for non-compliance operation and investment; we set up the Management Innovation Department (The Office for Reform and Digital Management Department) and the Audit Department, which are responsible for the evaluation of internal control and internal audit, respectively. The functional arms or operations units including business, finance and investment of the Company and all our subsidiaries assume primary responsibilities in their respective internal control systems. Specialized organizations or departments including risk management department and the internal control and compliance department are responsible for the coordination and planning as well as organization and implementation before and during risk management and internal control and compliance; internal audit organizations or departments are responsible for supervising and carrying out periodic auditing on the effectiveness of risk management, internal control and compliance, and investigating the accountability for any behavior violating the requirements.

In terms of the management of inside information, the Company has established standardized control procedures to collect, organize, review and disclose information. The Company will ensure that the information is kept confidential before it is fully disclosed to the public. For information that is difficult to keep confidential, the Company will disclose it in a timely manner to effectively protect the benefit of investors and stakeholders.

Based on the results of risk management and internal control in 2024, no material failure or weakness was found in respect of risk monitoring of the Company. The management procedures of financial reports and information disclosure of the Company is in strict compliance with the regulations under the Listing Rules of the SSE and the HKEX. The Board considers that the risk management and internal control of the Company is in effective operation according to its assessment.

Each department of the Company is able to smoothly submit to the Board any data which is needed to be submitted. Being the most senior point of contact to each department, the general manager of the Company is able to effectively report to the Board in relation to the operation of each department, and to coordinate the demands of each department and carry out relevant mobilization to facilitate reasonable decision making within the Company. Accordingly, any possible significant matter (if disclosure to the market is required) identified by the staff can be reported to the management of the Company in a timely, accurate and effective manner, and the decisions made by the management of the Company can be carried out accurately and timely under supervision.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Through the assessment of the internal control systems of the Group by the Audit Committee and internal control department, the Board was of the view that, in 2024 and as at the date of publication of this report, the Company continues to operate comprehensive internal control and risk management systems including corporate governance, operations, investment, finance and administration and human resources, and such internal control and risk management systems are in full effect.

In 2024, the Company adopted the following measures to implement risk management and internal control:

Based on the practical situation in operations, the Company sorted out business and management flows. The Company carried out in-depth analysis on every risk event in the risk event database from the perspectives including policies, organizational responsibilities and human resources, and determined the significant risks of the Company. Corresponding preventive measures against significant risks were formulated by the Company under the regular quarterly supervision by the responsible department.

The Company integrated comprehensive risk and internal control into operational management procedures in daily operations to achieve prevention beforehand and control on procedures, continuously improved various systems, strengthened the risk control on projects and enhanced risk prevention capability by various tasks including conducting due diligence and project evaluation. At the same time, risk events were monitored by the Company on monthly and quarterly basis respectively in order to supervise and manage the monitoring and control of the significant risks and the rectification of the deficiencies of internal control. The risk awareness of all relevant departments in our daily operations is raised, guaranteeing the smooth production and operation of the Company.

The Company conducts two internal control walkthrough test assessment during the year, in which the annual and interim internal control are assessed respectively. The Company selected member entities to carry out internal control and independent reviews, requiring each member entity to develop the rectification measures for any problem found. In 2024, the Board has obtained the confirmation from the management in respect of the effectiveness of the risk management and internal control systems of the Company. In order to review and continuously enhance the effectiveness of the internal control systems of the Company, in 2024, the Board and the Audit Committee have heard and discussed the 2023 internal control assessment report of the Company while the Board and the Risk Management Committee have heard and discussed the report of the overall risk management of the Company. Such internal control systems aim at managing, but not eliminating, risk related to failure of achieving business goals and the Board only provides reasonable but not absolute assurance on the absence of material misstatement or loss.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

III. SPECIFIC MEASURES OF THE CONTROLLING SHAREHOLDER OR THE ACTUAL CONTROLLER TO ENSURE THE INDEPENDENCE IN THE COMPANY'S ASSETS, STAFF, FINANCE, ORGANIZATION, OPERATION AND OTHERS, AS WELL AS THE SOLUTIONS, WORK PROGRESS AND SUBSEQUENT WORK PLAN TO AFFECT SUCH INDEPENDENCE

☐ Applicable ☒ Not applicable

The influence on the Company, the countermeasures taken, the progress of solution and the subsequent solution plan in event that the controlling shareholder, actual controller or other entity under its control is engaged in the same or similar business as the Company, or in a business competing with the Company, or there is any major change in such competition.

☒ Applicable ☐ Not applicable

(I) NON-COMPETITION AGREEMENT IN 2012

The Company entered into a non-competition agreement with Chinalco on 2 June 2012, pursuant to which, Chinalco provided certain non-competition undertakings to the Company and granted the options to seek any new business opportunities and options for acquisition and the relevant pre-emptive rights to the Company. Pursuant to such agreement, the independent non-executive Directors are responsible for reviewing and considering whether or not to exercise such options and pre-emptive rights and are entitled, on behalf of the Company, to review the implementation of the undertakings under such agreement on an annual basis.

During the Reporting Period, the independent non-executive Directors of the Company have reviewed the implementation of the non-competition agreement and confirmed that Chinalco has fully complied with the above-mentioned non-competition agreement without any breach of contract.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(II) COMMITMENT LETTERS IN RELATION TO COMPETITIONS FOR 2016, 2017 AND 2022

1. In June 2016, Chinalco submitted the Commitment Letter in Relation to Competitions (《關於同業競爭的承諾函》) (hereinafter referred to as “2016 Commitment Letter”) and has committed, as required by Chalieco, that the businesses of Henan Huahui Non-ferrous Engineering Design Co., Ltd. (河南華慧有色工程設計有限公司) and Kunming Survey and Design Institute which are related to Chalieco would be transferred or entrusted to Chalieco or non-related third parties by ways of equity transfer, entrusted management or other appropriate methods within five years from the date of the signing of the commitment letter.
2. In September 2017, the commitment letter (hereinafter referred to as “2017 Commitment Letter”) submitted by Chinalco mainly contains: 1) Henan Huahui Non-ferrous Engineering Design Co., Ltd., CHALCO Shanxi Industry Service Co., Ltd. (山西中鋁工業服務有限公司), Henan Zhongzhou Aluminum Construction Co., Ltd. (河南中州鋁建設有限公司), Yuxi Feiya Mining Industry Development Management Co., Ltd. (玉溪飛亞礦業開發管理有限責任公司) and Shanxi Aluminum Plant Design Institute Co., Ltd. (山西鋁廠設計院有限公司) (the “Five Companies”) will complete its business which coincides with the engineering survey, consultancy, design, construction, engineering contracting and relevant equipment manufacturing business engaged by Chalieco and/or its subsidiaries with customers which are third parties outside the organization of Chinalco as soon as possible. From the date of the submission of this commitment letter, the Five Companies will no longer launch new business in respect of the aforementioned aspects with third parties outside the organization of Chinalco, and only provide related services to companies within the organization of Chinalco. 2) The Five Companies will no longer upgrade its existing qualifications related to business which coincides with the engineering survey, consultancy, design, construction, engineering contracting and relevant equipment manufacturing business engaged by Chalieco and/or its subsidiaries. 3) Chinalco will be in strict compliance with the Non-competition Agreement signed by Aluminum Corporation of China and China Aluminum International Engineering Corporation Limited”. 4) If in breach of the aforesaid commitments, Chinalco would accept full responsibility incurred thereunder, and would thereby fully indemnify or compensate all the direct or indirect loss incurred to Chalieco and other Shareholders of Chalieco. If the Five Companies breaches this commitment by executing new business contracts which coincide with the engineering survey, consultancy, design, construction, engineering contracting and relevant equipment manufacturing business engaged by Chalieco and/or its subsidiaries with third parties outside the organization of Chinalco, Chalieco would be entitled, from the date of such business contracts become effective, to reduce the amount equal to the amount of such business contracts from unpaid but payable profit distribution in cash corresponding to Shares of Chalieco held by the Chinalco until the elimination of the event of breach of this commitment.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

3. In September 2022, Chinalco issued a letter of commitment. As the controlling shareholder of Chalieco, in order to avoid horizontal competition with Chalieco, Chinalco promised: 1) Since 1 January 2020, Chinalco had no violation of the above-mentioned “Non-Competition Agreement”, the 2016 Letter of Commitment or the 2017 Letter of Commitment; 2) Upon completion of the reorganisation, except for Henan Huahui Non-ferrous Engineering Design Co., Ltd. (河南華慧有色工程設計有限公司), CHALCO Shanxi Industry Service Co., Ltd. (山西中鋁工業服務有限公司), Yuxi Feiya Mining Industry Development Management Co., Ltd. (玉溪飛亞礦業開發管理有限責任公司) and Shanxi Aluminum Plant Design Institute Co., Ltd. (山西鋁廠設計院有限公司), which are subsidiaries of Chinalco, which will provide relevant services to the enterprises within the system of Chinalco pursuant to the aforesaid non-competition agreement and the aforesaid letter of commitments, Chinalco and the enterprises controlled by Chinalco will not directly or indirectly engage in or invest in any business which competes or may compete with the business of Chalieco and its subsidiaries. Chinalco will supervise the enterprises controlled or actually controlled by it and exercise necessary powers to urge them to comply with this commitment; 3) In the event of any breach of the above commitments, Chinalco is willing to bear all liabilities arising therefrom and fully compensate or make good all direct or indirect losses caused to Chinalco will supervise the enterprises controlled by Chinalco and under its de facto control and exercise the necessary powers to cause them to comply with this commitments and other shareholders of Chalieco as a result. Chinalco will strictly comply with the relevant regulations of the CSRC, SSE and the relevant provisions of the Articles of Association of the listed company, and will not take advantage of Chinalco’s position as the controlling shareholder of Chalieco to obtain improper benefits and will not damage the legitimate interests of Chalieco and other shareholders.

The Company has acquired Kunming Survey and Design Institute in 2017 and included Kunming Survey and Design Institute in the scope of consolidated financial statements of the Company.

Except for Henan Zhongzhou Aluminum Construction Co., Ltd. (河南中州鋁建設有限公司) has been deregistered in 2018, as of the date of disclosure of this report, the remaining 4 companies of the “Five Companies” involved in the above commitment letter have completed its business related with the engineering survey, consultancy, design, construction, engineering contracting and relevant equipment manufacturing business with customers which are third parties outside the organization of Chinalco as described in the relevant commitment letter. Business related with the engineering survey, consultancy, design, construction, engineering contracting and relevant equipment manufacturing business with customers which are third parties outside the organization of Chinalco were not commenced from the date of the issuance of the commitment letter in 2017. The Five Companies above did not conduct new business cooperation with customers which are third parties outside the organization of Chinalco nor upgrade its existing qualifications related to business which coincides with the engineering survey, consultancy, design, construction, engineering contracting and relevant equipment manufacturing business engaged by Chalieco or its subsidiaries since the date of the issuance of the commitment letter. In addition, Chinalco has fulfilled relevant commitments in a timely and strict manner, and there is no commitment not yet executed.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

IV. COMPLIANCE WITH MAJOR LAWS AND REGULATIONS AND PROMOTING THE CONSTRUCTION OF CORPORATE LEGAL GOVERNANCE

(I) Company's Compliance with Major Laws and Regulations

The operation of the Group has always complied with the national and local laws and regulations. It upholds honesty and integrity, and performs its social responsibility. The Company and its staffs have exercised their best endeavors to strictly follow the applicable rules, laws and industry standards. The Directors are not aware of any breach of laws or regulations which have a significant impact on the Group, nor are they aware of any cases of corruption, bribery, extortion, fraud or money laundering involving the Group in 2024.

The Company continues to review its current systems and procedures, emphasizes and strives to comply with the Civil Code of the People's Republic of China (《中華人民共和國民法典》), the Company Law, the Securities Law, the listing rules of the SSE and of the HKEX, the SFO, the Hong Kong Companies Ordinance and other relevant laws and regulations which have a significant impact on the Company. The Company is committed to safeguard the interest of Shareholders, improve its corporate governance and enhance the functions of the Board.

The Group insists on reinforcing the risk control throughout the whole life cycle and building of legal governance. It broadens legal knowledge throughout the Company and fosters all staff to build up the concept of acting by law and to develop a habit of doing business according to principles. The Company establishes a "legal culture" based on the core principles of decision-making, operating and managing according to law. Legal governance becomes the core concept of the Company and all staff follows voluntarily. The concept and means of legal governance are realized in every aspect of corporate governance, operation and management.

(II) Promoting the Construction of Corporate Legal Governance

The Company implements the primary responsible person requirement of corporate legal governance, strengthens the review of legality and compliance of major decisions; as well as facilitates the scientific and standardized decisions of the Company. It also develops legality and compliance assessment, actively promotes the implementation of regulatory system and establishes "a unified system" and "a comprehensive list" for its rules and regulations, creating a "four-mechanism" framework that ensures consistent management, centralized review, regular dissemination, and thorough evaluation of its policies and procedures, in order to ensure each operation management part of the enterprises is granted rules and a system basis to follow. The efficiency of business process across departments, professions and levels can thus be enhanced. It also reinforces legal support and capability to uphold its rights in accordance with the law and pursues legal risk management to avoid prosecution. The Company strengthens its case management and avoids increasing of cases and at the same time reducing the caseload, which would effectively reduce the number of lawsuits involving the Company. The Company focuses its risk management on major sectors by integrating the supervisory resources. It also integrates the supervisory resources, strengthens management and control of construction projects and does its utmost to prevent corruption risk.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

V. GENERAL MEETING

Session of meeting	Convening date	Websites designated for disclosure of resolutions	Resolutions disclosing date	Resolutions
The annual general meeting of 2023	18 June 2024	www.sse.com.cn, www.hkexnews.hk	19 June 2024 (A shares), 18 June 2024 (H shares)	<p>A total of 16 proposals were considered: the Proposal on the "2023 Restricted Share Incentive Scheme (Revised Draft) of China Aluminum International Engineering Corporation Limited" and Its Summary (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃(草案修訂稿)》及其摘要的議案)), the Proposal on the "Administrative Measures of 2023 Restricted Share Incentive Scheme Management Measures of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃管理辦法》的議案), the Proposal on the "Administrative Measures for the Implementation and Assessment of the 2023 Restricted Share Incentive Plan of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃實施考核管理辦法》的議案), and the Proposal on Submission to the General Meeting and Class Meetings for Authorisation to the Board of Directors to Handle Matters in Relation to the Company's 2023 Restricted Share Incentive Plan (關於提請股東大會及類別股東會授權董事會辦理公司2023年限制性股票激勵計劃相關事宜的議案), the Proposal on the Company's Issuance of Domestic and Overseas Debt Financing Instruments (關於公司發行境內外債務融資工具的議案), the Proposal on the "2023 Working Report of the Board of Directors of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年度董事會工作報告》的議案), the Proposal on the "2023 Working Report of the Board of Supervisors of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年度監事會工作報告》的議案), the Proposal on the Report of the Company's 2023 Financial Final Accounts (關於公司2023年度財務決算報告的議案), the Proposal on the Company's 2023 Profit Distribution Plan (關於公司2023年度利潤分配方案的議案), the Proposal on the Company's 2024 Capital Expenditure Plan (關於公司2024年度資本性支出計劃的議案), the Proposal on the Company's Purchase of Liability Insurance for Directors, Supervisors and Senior Management (關於公司購買董事、監事及高級管理人員責任保險的議案), the Proposal on the Company's 2024 Remuneration Standards for Directors and Supervisors (關於公司2024年度董事和監事薪酬標準的議案), the Proposal on the Company's Re-appointment of Accounting Firm (關於公司續聘會計師事務所的議案), the Proposal on the Company's Proposed Signing of the Financial Services Agreement with Chinalco Finance Co., Ltd. (關於公司擬與中鋁財務有限責任公司簽訂《金融服務協議》的議案), the Proposal on the Election of Non-independent Directors of the Fourth Session of the Board of Directors of the Company (關於選舉公司第四屆董事會非獨立董事的議案), and the Proposal on the Election of Independent Directors of the Fourth Session of the Board of Directors of the Company (關於選舉公司第四屆董事會獨立董事的議案).</p>

**SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)**

Session of meeting	Convening date	Websites designated for disclosure of resolutions	Resolutions disclosing date	Resolutions
The first A Share class meeting of 2024				<p>A total of 4 proposals were considered: the Proposal on the "2023 Restricted Share Incentive Scheme (Revised Draft) of China Aluminum International Engineering Corporation Limited" and Its Summary (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃(草案修訂稿)》及其摘要的議案), the Proposal on the "Administrative Measures of 2023 Restricted Share Incentive Scheme Management Measures of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃管理辦法》的議案), the Proposal on the "Administrative Measures for the Implementation and Assessment of the 2023 Restricted Share Incentive Plan of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃實施考核管理辦法》的議案), and the Proposal on Submission to the General Meeting and Class Meetings for Authorisation to the Board of Directors to Handle Matters in Relation to the Company's 2023 Restricted Share Incentive Plan (關於提請股東大會及類別股東會授權董事會辦理公司2023年限制性股票激勵計劃相關事宜的議案).</p>



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Session of meeting	Convening date	Websites designated for disclosure of resolutions	Resolutions disclosing date	Resolutions
The first H Share class meeting of 2024				A total of 4 proposals were considered: the Proposal on the "2023 Restricted Share Incentive Scheme (Revised Draft) of China Aluminum International Engineering Corporation Limited" and its Summary (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃(草案修訂稿)》及其摘要的議案), the Proposal on the "Administrative Measures of 2023 Restricted Share Incentive Scheme Management Measures of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃管理辦法》的議案), the Proposal on the "Administrative Measures for the Implementation and Assessment of the 2023 Restricted Share Incentive Plan of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃實施考核管理辦法》的議案), and the Proposal on Submission to the General Meeting and Class Meetings for Authorisation to the Board of Directors to Handle Matters in Relation to the Company's 2023 Restricted Share Incentive Plan (關於提請股東大會及類別股東會授權董事會辦理公司2023年限制性股票激勵計劃相關事宜的議案).
The first extraordinary general meeting of China Aluminum International Engineering Corporation Limited in 2024	13 November 2024	www.sse.com.cn, www.hkexnews.hk	14 December 2024 (A shares), 13 December 2024 (H shares)	A total of one proposal was considered: the Proposal on the Progress of Capital Increase of the Wholly-owned Subsidiary Through the Introduction of Investors Through Public Listing and Related Party Transaction (《關於全資子公司以公開掛牌方式引入投資者實施增資進展暨關聯交易的議案》).

The holders of preferred shares with restored voting rights request to convene an extraordinary general meeting

☐ Applicable ☒ Not applicable

Particulars of the general meeting

☒ Applicable ☐ Not applicable

The Company's A Share Class Shareholders' Meeting and H Share Class Shareholders' Meeting and two general meetings in 2024 were summoned by the Board of Directors of the Company and chaired by Mr. LI Yihua, Chairman of the Board of Directors of the Company. The summoning, holding and voting of the meetings were in compliance with the Company Law and other laws and regulations and the Articles of Association.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

VI. COMMUNICATIONS WITH SHAREHOLDERS

The Company has long, highly and continuously valued the maintenance and development of relationship with its investors, delivers the information of the Company to public in a timely and efficient manner, enhances transparency of the information regarding the Company and builds an effective channel for it to maintain the relationship with investors.

(I) Shareholders' Rights

The Board is committed to maintaining communications with Shareholders and discloses significant development of the Company to Shareholders and investors when appropriate. The general annual meeting of the Company provides a good communication opportunity between Shareholders and the Board. In the event of convening an annual general meeting, the convenor shall give a written notice 20 clear business days before the date of the meeting. In the event of convening an extraordinary general meeting, the convenor shall give a written notice 15 days or 10 clear business days before the meeting (whichever is earlier), informing all the registered shareholders of the matters proposed for consideration at the meeting and the date and place of the meeting ("Business Day(s)" refers to the day when the HKEX opens market for securities trading).

Shareholders individually or jointly holding more than 10% of shares of the Company are entitled to request the Board in writing to convene an extraordinary general meeting. The Board shall, in accordance with the requirements of laws, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after the date on which the resolution of the Board is made. Any changes made to the original request in the notice shall be agreed by the relevant shareholders. If the Board disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the request, shareholders individually or jointly holding more than 10% of the shares of the Company are entitled to request the Board of Supervisors in writing to convene an extraordinary general meeting.

If the Board of Supervisors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within five days upon receipt of the request. Any changes made to the original proposals in the notice shall be agreed by the relevant shareholders.

If the Board of Supervisors does not issue the notice of general meeting within the prescribed period, it shall be deemed as the Board of Supervisors not convening and not holding the general meeting. Then the shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days are entitled to summon and chair the meeting by themselves.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(II) Enquiry of Shareholders

In order to maintain channels for effective communication, the Company publishes its address, e-mail address, phone number and fax number in detail on its website and in its regular reports. If any enquiry, the shareholders may contact the Company through the above channels, and the Company will respond to all enquiries on a timely and proper basis.

The Board welcomes Shareholders' views and encourages them to attend general meetings in order to propose any concerns they might have directly to the Board or the management. The chairman of the Board and the chairmen of all Committees usually attend the annual general meeting and other general meetings to address questions raised by the Shareholders.

Detailed procedures of voting and resolutions voted by way of poll are set out in the announcement and the Shareholders' circular dispatched to the Shareholders.

(III) Communication Policy with Shareholders

The Company believes that effective communication with shareholders is crucial to enhancing investors' understanding of the Group's business and performance, and the Company is committed to maintaining continuous dialogue with shareholders. In order to ensure that shareholders and potential investors can obtain information about the Company in an equal and timely manner at any time, the Company has established several communication channels with shareholders as follows:

1. Corporate communications such as annual reports, interim reports, announcements and circulars can be viewed on the website of the SSE, HKEX and the Company;
2. The Company's constitutional documents and the terms of reference of the board committees can also be downloaded from the website of the SSE, HKEX and the Company;
3. The general meeting provide a platform for shareholders to express their views and exchange views. The chairman of the Board attends (and endeavors to ensure that the chairmen of the board committees attend) general meetings to answer shareholders' questions;
4. The Company holds regular results meetings and makes every effort to ensure that the chairman, the general manager, the independent directors, the chief financial officer, the secretary to the Board of Directors and relevant personnel from various departments attend these meetings to actively interact and communicate with shareholders or potential investors on the Company's operations, financial position and development results.
5. The Company responds to questions raised by shareholders or potential investors in a timely manner through the SSE e-interactive platform, investor hotlines, and dedicated mailboxes.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

The Company continues to strengthen investor relations and enhance communication with existing shareholders and potential investors. Suggestions from investors and the public are welcomed. Inquiries to the Board of Directors or the Company may be addressed to the Company Secretary of the Company by post.

The Company reviewed the implementation and effectiveness of the shareholder communication policy for the year ended 31 December 2024 and considered it to be effective.

VII. THE BOARD OF DIRECTORS

(I) Composition of the Board of Directors

As of the date of disclosure of this report, the Board of Directors of the Company consists of nine directors, including four executive directors, two non-executive directors and three independent non-executive directors. There are five specialised committees under the Board, including the Audit Committee, Nomination Committee, Remuneration Committee, Strategy Committee and Risk Management Committee.

The profile details of the Directors as at the date of this report are set out in “Particulars of Directors, Supervisors and Senior Management” under “Section V Corporate Governance (Corporate Governance Report)” of this annual report. There are no financial, business, family or other material or relevant relationship among members of the Board. The structure of the Board is well balanced with each Director possessing sound knowledge, experience and expertise relevant to the business operation and development of the Group. All Directors are deeply aware of their joint and several liabilities to the Shareholders.

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications in accordance with the requirements of the CSRC, SSE and the HKEX Listing Rules. Since the Listing of the Company, the Board has been in compliance with the requirements of the HKEX Listing Rules regarding the appointment of at least three independent non-executive Directors, and that the appointed independent non-executive Directors shall represent at least one-third of the members of the Board. The qualifications of the three independent non-executive Directors of the Company are in full compliance with the requirements under the “Management of Independent Directors and Code of Conduct” of section 5 in Chapter III of the Guidelines for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation (《上海證券交易所上市公司自律監管指南第1號－規範運作》) and Rules 3.10(1) and (2) of the HKEX Listing Rules. In addition, the Company has received annual confirmations from each independent non-executive Director as to their independence pursuant to Rule 3.13 of the HKEX Listing Rules. The Company, therefore, considered all independent non-executive Directors to be in compliance with the independence requirements as set out in the SSE Listing Rules and the HKEX Listing Rules.

As of the reporting date, and within the Reporting Period, the list of members of the Board of Directors is set out in “VIII. Particulars of Directors, Supervisors and Senior Management” under “Section V Corporate Governance (Corporate Governance Report)” of this report.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Pursuant to the latest amendments and requirement of the Corporate Governance Code and the Corporate Governance Report in the HKEX Listing Rules, the Company prepared the Board Diversification Policy of China Aluminum International Engineering Corporation Limited (《China Aluminum International Engineering Corporation Limited 董事會成員多元化政策》) and submitted the same to the Nomination Committee for consideration and approval.

(II) Functions and Powers Exercised by the Board of Directors and the Management

The rights and duties of the Board of Directors and the management have been clearly provided in the Articles of Association, which aims to ensure adequate check and balance mechanism for good corporate governance and internal control.

The Board is responsible for deciding the Company's business and investment plans as well as the establishment of the Company's internal management structure, formulating the Company's basic management system, determining other material business and administrative matters of the Company and monitoring the performance of the management.

Under the leadership of the general manager (who is also an executive director), the management of the Company is responsible for implementing the resolutions approved by the Board and administering the daily operation and management of the Company.

(III) Appointment and Re-election of Directors

Pursuant to the Articles of Association, Directors shall be elected at general meetings with a term of office of not more than three years for each session and may offer themselves for re-election. The Company has implemented a set of effective procedures for the appointment of new Directors. Nomination of new Directors shall be first considered by the Nomination Committee, whose recommendations will then be given to the Board for consideration. All candidates are subject to election and approval at general meetings.

The Company has entered into service contracts with each of the Directors (including non-executive Directors). Such service contracts commence from the date when the Company's general meeting decides to elect him/her as a director of the Company, and expire when the Company convenes the general meeting for the election of directors of the next board of directors, or may be terminated according to the terms of each of the contract.

(IV) Corporate Governance Functions of the Board of Directors

The Company's corporate governance function is performed by the Board. The corporate governance function is to develop and review the Company's policies and practices on corporate governance in order to comply with Corporate Governance Code and other legal or regulatory requirements, and make recommendations to the Board; to oversee the induction program for new Directors; to review and oversee the training and continuous professional development for the Directors and senior management; to develop, review and oversee the code of conduct and compliance manual (if any) applicable to employees and the directors; and to review the Company's disclosure in the Corporate Governance Report.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(V) Board Diversification Policy

Believing the diversification of the composition of the Board would be helpful in enhancing the Company's performance, the Company formulated the Board Diversification Policy of China Aluminum International Engineering Corporation Limited in August 2013, which stipulates that the diversification of the composition of the Board takes account of a variety of aspects when determining the composition of the Board, including but not limited to age, cultural and educational background, professional experience, skill and knowledge.

The Board made all the appointments based on talents and had considered the benefits, which would be brought about by diversifying the composition of the Board under the objective conditions, when selecting the candidates. The Board will select its members based on an array of diversification standards, including but not limited to age, cultural and educational background, professional experience, skill and knowledge. As of the date of disclosure of this report, the Board of the Company comprises four executive directors, two non-executive directors and three independent non-executive directors. The directors of the Company are all senior management personnel, such as executives of large state-owned enterprises, executives of private enterprises and experts and scholars, who have profound training and extensive experience in corporate management, mining and metallurgy, finance and law, etc., and one of them is from Hong Kong and is familiar with Hong Kong's capital market rules. In addition, there is also one female director on the Board of the Company, who is familiar with the business and operation of the Company and its subsidiaries and has a solid educational background in economics and finance, together with the other male directors of the Company, provides professional advice to the Company in various areas.

The Nomination Committee will disclose the composition of the Board in the Corporate Governance Report on an annual basis and will oversee the enforcement of the Policy. The Nomination Committee will review the policy when appropriate to ensure its effectiveness. It will also discuss and propose any necessary revisions to the Board for consideration and approval.

The Nomination Committee will review the board diversity policy and its implementation from time to time. The Company held its second extraordinary general meeting of 2023 on 28 December 2023 to elect Ms. ZHAO Hongmei as an executive director of the fourth session of the Board of the Company, and the Company has now appointed one female director. We understand the importance of gender diversity and will therefore strive to further increase gender diversity on the Board. In selecting and recommending suitable candidates for Board membership, the Company will seize the opportunity to increase the proportion of female Board members and enhance gender diversity by shareholder expectations and recommended best practices.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

VIII. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Particulars of changes in shareholding and emoluments of existing directors, supervisors and senior management, and those departed during the Reporting Period

✓ Applicable ☐ Not applicable

Name	Position	Gender	Age	Starting date of term	Ending date of term	Number of shares held at the beginning of the year (0,000 shares)	Number of shares held at the end of the year (0,000 shares)	Change in shares during the year (0,000 shares)	Reason for change	Total emoluments before tax received from the Company within the Reporting Period (RMB'0,000)	Received compensation from related parties of the Company or not
LI Yihua	Chairman	M	46	2022/2/11	Upon expiration of the term of office of the current Board of Directors	0	26.74	26.74	Share incentive	60.1	No
	Executive Director			2022/4/8							
LIU Jing	Executive Director	M	56	2021/2/25	Upon expiration of the term of office of the current Board of Directors	0	26.74	26.74	Share incentive	61.1	No
	General Manager			2021/1/20							
LIU Ruiping	Former Executive Director	M	58	2022/4/8	2024/6/18	0	22.73	22.73	Share incentive	55.66	No
	Deputy General Manager			2018/10/9	-						
LIU Dongjun	Executive Director	M	54	2024/6/18	Upon expiration of the term of office of the current Board of Directors	0	20.06	20.06	Share incentive	49.66	No
ZHAO Hongmei	Executive Director	F	54	2023/12/28	Upon expiration of the term of office of the current Board of Directors	0	20.06	20.06	Share incentive	49.66	No
	Former Chief Financial Officer			2023/4/3	2024/10/26						
	Former Secretary to the Board			2023/4/3	2024/03/28						
ZHANG Decheng	Non-executive Director	M	43	2023/12/28	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	0	Yes
YANG Xu	Non-executive Director	M	56	2024/6/18	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	0	Yes
ZHOU Xinze	Former Non-executive Director	M	61	2022/4/8	2024/3/28	0	0	0	N/A	0	Yes
SIU Chi Hung	Independent Non-executive Director	M	54	2022/4/8	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	14.29	Yes
TONG Pengfang	Independent Non-executive Director	M	52	2022/4/8	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	14.29	Yes
ZHANG Ting'an	Independent Non-executive Director	M	64	2024/3/28	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	7.14	Yes
GUI Weihua	Former Independent Non-executive Director	M	74	2018/2/27	2024/6/18	0	0	0	N/A	7.14	Yes
LIN Ni	Chairman of the Board of Supervisors	F	51	2024/1/29	Upon expiration of the term of office of the current Board of Supervisors	0	0	0	N/A	0	Yes
	Supervisor			2022/4/8							
HE Wenjian	Supervisor	M	55	2022/4/8	Upon expiration of the term of office of the current Board of Supervisors	0	0	0	N/A	0	Yes
Xiao Hongmei	Employee Representative Supervisor	F	42	2024/1/29	Upon re-appointment/dismissal by the employee representative meeting	0	0	0	N/A	0	No
ZHOU Dongfang	Deputy General Manager	M	47	2023/6/28	-	0	20.06	20.06	Share incentive	49.66	No
TAO Fulun	Chief Financial Officer Secretary to the Board	M	52	2024/11/21 2024/3/28	-	0	18.39	18.39	Share incentive	37.27	No
BAI Jie	General Counsel	F	41	2023/8/22	-	0	16.07	16.07	Share incentive	46.1	No
BI Xiaoge	Former Deputy General Manager	M	57	2018/10/9	2024/4/25	0	0	0	N/A	14.52	No
Total	/	/	/	/	/		190.91	190.91	/	466.59	/

Note: Mr. BI Xiaoge submitted a written report to the Board of Directors of the Company on 25 April 2024 and ceased to hold the position of deputy general manager of the Company, but is still working in the Company. The table above shows his tenure as a member of the senior management and remuneration during the Reporting Period.

**SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)**

Unit: Share

Name	Position	Month and year of commencement of receipt of remuneration during the Reporting Period	Month and year of termination of receipt of remuneration during the Reporting Period	Total emoluments before tax received from the Company within the Reporting Period (RMB'0,000)	Received compensation from related parties of the Company or not
LI Yihua	Chairman, Executive Director	2024/1/1	2024/12/31	60.1	No
LIU Jing	Executive Director, General Manager	2024/1/1	2024/12/31	61.1	No
LIU Ruiping	Former Executive Director, Deputy General Manager	2024/1/1	2024/12/31	55.66	No
LIU Dongjun	Executive Director	2024/1/1	2024/12/31	49.66	No
ZHAO Hongmei	Executive Director, Chief Financial Officer and Former Secretary to the Board	2024/1/1	2024/12/31	49.66	No
ZHANG Decheng	Non-executive Director	/	/	0	Yes
YANG Xu	Non-executive Director	/	/	0	Yes
ZHOU Xinzhe	Former Non-executive Director	/	/	0	Yes
SIU Chi Hung	Independent Non-executive Director	2024/1/1	2024/12/31	14.29	No
TONG Pengfang	Independent Non-executive Director	2024/1/1	2024/12/31	14.29	No
ZHANG Ting'an	Independent Non-executive Director	2024/6/18	2024/12/31	7.14	No
GUI Weihua	Former Independent Non-executive Director	2024/1/1	2024/6/18	7.14	No
LIN Ni	Chairman of the Board of Supervisors	/	/	0	Yes
HE Wenjian	Supervisor	/	/	0	Yes
Xiao Hongmei	Employee Representative Supervisor	/	/	0	No
ZHOU Dongfang	Deputy General Manager	2024/1/1	2024/12/31	49.66	No
TAO Fulun	Chief Financial Officer Secretary to the Board	2024/4/1	2024/12/31	37.27	No
BAI Jie	General Counsel, Chief Compliance Officer, General Manager of Legal Compliance Department	2024/1/1	2024/12/31	46.1	No
BI Xiaoge	Former Deputy General Manager	2024/1/1	2024/4/25	14.52	No
Total	/	/	/	466.59	/

Note: Mr. BI Xiaoge submitted a written report to the Board of Directors of the Company on 25 April 2024 and ceased to hold the position of deputy general manager of the Company, but is still working in the Company. The table above shows his tenure as a member of the senior management and remuneration during the Reporting Period.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
LI Yihua	<p>aged 46, is currently chairman, executive Director, Party secretary, member and chairman of Strategy Committee, member and chairman of the Risk Management Committee of the Company. He is an economist with a master's degree in business administration. He worked as the project manager in Yunnan Huawen Hengye Investment Company (雲南華文恒業投資公司) and served as the director of legal affairs and deputy head of investment and development department in Yunnan Sino-platinum Metals Co., Ltd. (雲南貴研鉑業股份有限公司), the deputy director of the corporate development department in Yunnan Tin Group (Holding) Co., Ltd. (雲南錫業集團(控股)有限責任公司), the secretary to board of directors, and the director of the securities department in Yunnan Tin Co., Ltd. (雲南錫業股份有限公司), the vice president of Yunnan Investment Holding Group Co.,Ltd. (雲南投資控股集團有限責任公司), the deputy director, director of the legal department, general manager of capital operation department of Chinalco (中鋁集團), general manager, deputy party secretary and director of Chinalco Assets Operation and Management Co., Ltd (中鋁資產經營管理有限公司), chairman of Chinalco Industrial Services Company Limited (中鋁工業服務有限公司), director of China Aluminum Group High-end Manufacturing Co., Ltd. (中國鋁業集團高端製造股份有限公司), director of China Aluminum International Trading Corporation Limited (中鋁國際貿易有限公司) etc.. At present, Mr. LI also acts as director of Aluminum Corporation of China Iron Ore Holdings Limited (中鋁鐵礦控股有限公司).</p>
LIU Jing	<p>aged 56, is currently an executive Director, general manager, deputy Party secretary of the Company and member of Strategy Committee. He is a senior engineer, graduated from university with a bachelor's degree in engineering. He worked as a technician, the deputy director and director of civil construction department, manager of Trinidad and Tobago projects, deputy chief engineer, deputy director of design management department and director of project management department of Shenyang Aluminum & Magnesium Engineering & Research Institute (瀋陽鋁鎂設計研究院); assistant general manager, deputy general manager, executive director, general manager and secretary of party committee of SAMI; deputy leader of the preparation team, chairman, president, secretary of party committee and secretary of the disciplinary committee of Chinalco Overseas Development Co., Ltd. (中鋁海外發展有限公司) and chairman of CNPT, etc.. Mr. LIU is also concurrently a director of Aluminum Corporation of China Iron Ore Holdings Limited (中鋁鐵礦控股有限公司).</p>



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
LIU Ruiping	aged 58, is currently a deputy general manager and was an executive director and a member of Nomination Committee of the Company during the Reporting Period. He is an senior engineer with a master's degree from Party School of the Central Committee. Mr. LIU served as the chief engineer and deputy director of economic planning division of SAMI; the deputy manager and manager of the Alumina Project of Investment Management Department and manager of the First Division of Chalco (中國鋁業); the senior manager, deputy general manager and general manager of the Investment Management Department of Chalco; the chairman and Party secretary of Twelfth Metallurgical Company and executive director of Shanxi 12th Metallurgical Asset Management Co., Ltd. (山西十二冶資產管理有限公司). Mr. LIU resigned from his position as an executive director of the Company and a member of the Remuneration Committee of the Board on June 18, 2024 due to adjustment of his work arrangements.
LIU Dongjun	aged 54, is currently an executive Director, deputy Party secretary and labour union chairman of the Company, and a member of the Nomination Committee of the Board of Directors of the Company. He is a senior economist, a university graduate, and has obtained a master's degree in economics. He was the attaché of the Protocol Department of the Ministry of Foreign Affairs; third secretary of the Commissioner's Office of China's Foreign Ministry in the Hong Kong S.A.R of China; secretary (director-level) of the Secretariat of the General Office of the Ministry of Foreign Affairs; director of the Office and group leader of Overseas Chinese Affairs (Group Two) of the Consulate-General of China in San Francisco; first secretary of the Personnel Department and deputy director general (director-level) of Foreign Affairs Management (Second Division) of the Ministry of Foreign Affairs; head of the Foreign Affairs Department of the General Office (Foreign Affairs Office), deputy director and secretary of Party Group of the General Office (Board Office, Foreign Affairs Office), deputy general manager and secretary of Party Group of the Comprehensive Management Department (Board Office, Foreign Affairs Office), deputy director and secretary of Party Group of the Office (Party Group Office, Board Office, Foreign Affairs Office), and other positions at Chinalco.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
ZHAO Hongmei	<p>aged 54, is currently an executive Director, was the chief financial officer, the secretary of the Board, a joint company secretary and an authorised representative of the Company during the Reporting Period. She is a full senior level accountant, a doctoral degree holder majored in economics. Ms. ZHAO served as a responsible staff member of the finance department of Zhongzhou Aluminum Factory (now Chinalco Zhongzhou Aluminum Co., Ltd.), the head of the investment accounting section of the finance department of Chinalco Zhongzhou Branch, the deputy manager of the finance department, and the chief accountant of Jiaozuo Coal Zhaogu Energy Company, deputy manager and manager of the accounting department of Chalco Finance Department, deputy general manager and budget analysis department manager of Chalco Finance Department (Office of the Board), deputy general manager of Chinalco Group Operation Optimization Department (Reform Office), chairman of the board of supervisors of Chinalco Logistics Group Co., Ltd., chairman of the board of supervisors of Chinalco Shanxi New Materials Co., Ltd., chairman of the board of supervisors of Shanxi Huaxing Aluminum Co., Ltd., a supervisor of Shanxi Huasheng Aluminum Co., Ltd., a director and a supervisor of Chinalco (Shanghai) Co., Ltd., a supervisor of Chinalco International Trading Group Co., Ltd., a supervisor of Chinalco Investment and Development Co., Ltd., a director of Guizhou Huajin Aluminum Co., Ltd., a director of Chalco Guinea Co., Ltd., a director of Chinalco Environmental Protection and Energy Saving Group Co., Ltd., and a director of China Copper Co., Ltd., etc.. Ms. ZHAO resigned from the position of secretary of the board of directors, a joint company secretary and an authorised representative of the Company on March 28, 2024 and from the position of chief financial officer of the Company on November 21, 2024 due to adjustment of her work arrangements.</p>



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
ZHANG Decheng	<p>aged 43, currently a non-executive director of the Company, chairman and member of the Risk Management Committee of the Board of Directors. He is a senior economist, a university graduate with a bachelor's degree in economics and a bachelor's degree in Law. He served as a secretary of the secretary section of the general manager's office of Northeast Light Alloy Co., Ltd, head of the legal affairs section, a deputy director of the legal advisor's office, a deputy office director, a deputy director of the domestic business division, a deputy director of the case management division and a director of the case management division of the legal department of the Aluminium Corporation of China (now Chinalco), a director and manager of the case management division of the legal department of Chinalco, a manager of the legal management division of the legal compliance department, a deputy general manager of the legal and compliance department, a supervisor of Chinalco Asset Operation and Management Co., Ltd., and a supervisor of Chalco Science and Technology Research Institute Company Limited, etc. Mr. ZHANG is currently the General Counsel, Chief Compliance Officer and General Manager of the Legal Compliance Department of Chinalco. He is also a director of Chinalco Intelligent Technology Development Co., Ltd., Aluminum Corporation of China Iron Ore Holdings Limited, Chinalco Overseas Holdings Co., Ltd., CTG, WCS Singapore Holdings, WCS Project Company, Orient Vision Company, Sunshine Vision Company, Chinalco Investment Holdings Co., Ltd. and Chinalco Capital Holdings Limited.</p>



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
YANG Xu	<p>aged 56, currently a non-executive director of the Company, a member of the Risk Management Committee, Audit Committee, Remuneration Committee and Strategy Committee of the board of directors. He is a senior economist, and graduated with a doctorate degree in economics. He served as an office clerk of Tongjiang County Working Committee on Elderly, Sichuan Province, a staff member of the Kaijiang Sub-branch of Bank of China Dachuan Branch, a staff member of the Party committee propaganda department and a departmental secretary of the Party committee of the organization of China Construction Bank Yunnan Branch, a deputy director of the self-discipline department and a deputy director of the education and training department of China Banking Association, a post-doctoral fellow at the post-doctoral workstation and a manager of the risk management and legal compliance department of China Reinsurance (Group) Corporation, deputy manager of the financial business management department and manager of the overseas financing (direct business) department of Guodian Capital Holdings Co., Ltd., manager of the disciplinary inspection department, manager of the investment banking department and manager of the audit department of Guodian Capital Holdings Co., Ltd. (Guodian Finance Co., Ltd.), supervisor of Alltrust Insurance Company Limited, deputy general manager, director of security, and general manager of the legal and risk control audit department of Chinalco Capital Holdings Limited, general manager of risk management and legal compliance department of Chinalco Finance Company Limited, chairman of the board of supervisors and chairman of the board of directors of Chinalco Insurance Brokers (Beijing) Co. Ltd., and chairman of the board of supervisors of Chinalco Finance Lease Co., Ltd., etc. Mr. YANG currently serves as a full-time external director for enterprises affiliated with Chinalco.</p>

**SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)**

Name	Main work experience
ZHOU Xinzhe	<p>aged 60, and served as a non-executive director of the Company, a member of the Risk Management Committee, Audit Committee, Remuneration Committee and Strategy Committee of the board of directors during the Reporting Period. He is a senior engineer and a college graduate. He was a technician, engineer, chief engineer, deputy plant operating director, head of Material Equipment Division, deputy chief economist, head of Sales Division, manager of sales company, vice plant manager and secretary of the Party committee of the 107 branch of Fushun Aluminum Factory, the deputy secretary of the Party committee, secretary of the Party committee, chief general manager, the chairman of the labor union, executive Director and supervisor of Fushun Aluminum Co., Ltd., the chairman, general manager and an executive Director of Fushun Titanium Co., Ltd. the deputy secretary of the Party committee and the chairman of the labor union of Lanzhou Branch of Aluminum Corporation of China Limited (中國鋁業股份有限公司) and the deputy secretary of the Party committee and the chairman of the labor union of Lanzhou Aluminum Co., Ltd (蘭州鋁業有限公司), a full-time director of a subsidiary of Chinalco, a full-time director of Chalco (Shanghai) Carbon Co., Ltd. and a full-time external director of Ninth Metallurgical Company. Due to redesignation, Mr. ZHOU resigned as a non-executive Director of the Company, as well as member of the Risk Management Committee, Audit Committee, Remuneration Committee, and Strategy Committee of the Board, effective from 18 June 2024.</p>
SIU Chi Hung	<p>aged 54, currently an independent non-executive director of the Company, a member and chairman of the Audit Committee of the Board of Directors. With Chinese (Hong Kong) nationality. He is a university graduate with a bachelor's degree in business administration. He currently is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Independent Non-Executive Director Association. He was a partner of KPMG (Hong Kong), the principal partner of real estate of KPMG (China), the principal partner of Capital Markets development (Southern China) of KPMG (China) and a member of the American Institute of Certified Public Accountants, and he was an executive director of LVGEM (China) Real Estate Investment Company Limited, an independent non-executive director of Roiserv Lifestyle Services Co., Ltd., Central China Management Company Limited and MicroPort NeuroTech Limited. Currently, Mr. SIU is also an independent non-executive director of Bank of Zhengzhou Co., Ltd., an independent non-executive director of China Gas Industry Investment Holdings Co. Ltd., an independent non-executive Director of Dongjiang Environmental Company Limited and an independent non-executive Director of Sichuan Energy Investment Development Co., Ltd.</p>



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
TONG Pengfang	<p>aged 52, is currently a senior partner and director of Beijing Derun Lawyers, an independent non-executive director of the Company, the chairman of the Nomination Committee of the board of directors, and a member of the Risk Management Committee, Audit Committee and Remuneration Committee of the board of directors. He holds a master's degree, a master's degree in law, a lawyer and a certified public accountant. He was an editor of China Financial & Economic Publishing House, an independent director of Yunnan Tin Co., Ltd., an independent director of Guizhou Xinbang Pharmaceutical Co., Ltd. and an independent director of Ningxia Zhongyin Cashmere Co., Ltd. Currently, Mr. TONG is currently also an external director of Yunnan Tin Group Company Limited and an independent director of China Rare Earth Holdings Limited.</p>
ZHANG Ting'an	<p>aged 65, is currently the director of Institute of Special Metallurgy and Process Engineering, College of Metallurgy, Northeastern University, and director of Engineering Research Center of Department of Education of Non-Ferrous Metal Process Technology, President of Dongda Institute of Non-Ferrous Metal Solid Waste Technology, an independent non-executive director of the Company, the chairman of the Remuneration Committee of the board of directors, and a member of the Remuneration Committee and Strategy Committee of the board of directors. He holds a Ph.D. degree, is a second class professor and a doctoral tutor. He was an assistant professor, lecturer and associate professor of the Department of Non-ferrous Metallurgy, professor, deputy director and deputy chief of the Department of Non-ferrous Metallurgy, deputy dean and dean of the College of Materials and Metallurgy, director of Library, deputy director of the Key Laboratory of the Ministry of Education for the Ecological Metallurgy of Polymetallic Symbiotic Ore of Northeastern University, director of Fushan Zibo Northeastern University Institute of Industry and Technology, and executive director of China Aluminum Central Research Institute Southeast Branch. Mr. ZHANG also serves as the chairman of Dongda Non-ferrous Solid Waste Technology Research Institute (Liaoning) Company Limited, independent director of Chaoyang Jinda Titanium Company Limited, and independent director of Jiangsu Tiangong Science and Technology Company Limited.</p>



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
GUI Weihua	<p>aged 74, and served as an independent non-executive director of the Company, member of the Audit Committee, member and chairman of the Remuneration Committee, member of the Remuneration Committee and Strategy Committee of the board of directors. He holds a master postgraduate qualification. Mr. GUI is the academician of the Chinese Academy of Engineering, an academic leader among the Innovative Research Groups of the National Natural Science Foundation of China, the head of the Non-ferrous Metallurgical Automation, the Ministry of Education's Engineering Research Center, the head of the Institute of Information Science and Engineering, Central South University, as well as a professor and instructor of doctorate students of Central South University. On 18 June 2024, Mr. GUI resigned his positions of independent non-executive director of the Company, member of the Audit Committee, member and chairman of the Remuneration Committee, member of the Remuneration Committee and Strategy Committee of the board of directors, due to work adjustments.</p>
LIN Ni	<p>aged 51, is currently the general manager of the audit department of Aluminum Corporation of China* (中國鋁業集團有限公司), the Chairman of the Board of Supervisors of the Company. Ms. LIN is a senior auditor with a bachelor's degree in economics, a certified public accountant, a registered tax advisor and a registered asset appraiser. She has served as the head of the 2nd division and the 1st division of the audit department and the deputy head of the audit department of Aluminum Corporation of China* (中國鋁業公司), the deputy general manager (in charge) of the audit department of Aluminum Corporation of China Limited, a supervisor of China Copper Co., Ltd. (中國銅業有限公司), the chairperson of the board of supervisors of Chinalco Capital Holdings Limited (中鋁資本控股有限公司), the chairperson of the board of supervisors of Chinalco Finance Company Limited (中鋁財務有限責任公司), a supervisor of Chinalco Environmental Protection and Energy Conservation Co., Ltd. (中鋁環保節能集團有限公司), and a supervisor of Chinalco Assets Operation and Management Co., Ltd. (中鋁資產經營管理有限公司). Ms. LIN currently is the chairman of the board of supervisors of Aluminum Corporation of China Limited (中國鋁業股份有限公司) and a supervisor of Chinalco Materials Application Research Institute Co., Ltd. (中鋁材料應用研究院有限公司).</p>



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
HE Wenjian	<p>aged 55, is currently a supervisor of the Company. He is a senior engineer, a college graduate and a bachelor in Engineering. He was an aluminum electrolysis worker of the 1st electrolysis factory, a technician of the technology division, a deputy director officer of corporate management team of the corporate management division, a deputy section chief of secretarial division of the factory management office, the head of research division, the deputy head of promotional department of the Party committee, the deputy secretary to the Party general branch of material management office of Qinghai Aluminum Plant (青海鋁廠), the deputy head of material management office of the Marketing Center of Qinghai Aluminum Co., Ltd. (青海鋁業有限責任公司), the deputy manager and manager of planning management department of Qinghai branch of Chalco (中國鋁業青海分公司), an assistant to the general manager and the head of plant of Aluminum Carbon Plant, of Qinghai branch of Chalco, a senior manager, deputy manager of corporate management department and a manager of electrolytic aluminum of Aluminum Corporation of China Limited (中國鋁業股份有限公司), a director of Shanxi Huaze Aluminum & Power Co., Ltd. (山西華澤鋁電有限公司), a director of Zunyi Aluminum Co., Ltd. (遵義鋁業股份有限公司), the deputy director of corporate management department of Aluminum Corporation of China (中國鋁業公司), the general manager, deputy secretary of the Party committee and secretary of the Party committee of Liancheng branch of Aluminum Corporation of China Limited (中國鋁業股份有限公司), the chairman of Lanzhou Liancheng Aluminum Co., Ltd. (蘭州連城鋁業有限責任公司), the person-in-charge and general manager of operation optimization department (reform office) of Chinalco and a director of China Rare Earth Group Co., Ltd. (中國稀土集團有限公司), a part-time external director of Chinalco Asset Operation Management Co., Ltd. (中鋁資產經營管理有限公司) and a director of Gansu Hualu Aluminum Co., Ltd. (甘肅華鷺鋁業有限公司). Mr. HE is also currently an acting chairman, executive director, general manager and party secretary of Aluminum Corporation of China Limited.</p>



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
XIAO Hongmei	aged 42, is currently a staff representative supervisor of the Company and vice-chairman of the labour union (part-time), and a welder in the production department of Hanzhong Steel Structure Factory of the Steel Structure Technology Branch of Ninth Metallurgical Construction Co., Ltd. Ms. Xiao was a welder for the installation and construction of blast furnace at Xinjiang Jinte Steel Structure Company, a welder for the construction and installation of blast furnace at Yunnan Shuangyou Iron and Steel Co., Ltd, and an electric welder for the Seventh Engineering Branch of Ninth Metallurgical Construction Co., Ltd. She has been awarded the honours of Model Worker of Ninth Metallurgical Construction Co., Ltd, Individual First Place in Shaanxi Provincial Vocational Skills Competition, Shaanxi May Day Labour Medal, Shaanxi Technical Skillful Worker, Pioneer in Labour Competition of Xianyang Municipality, National May Day Labour Medal, and a March 8th Red-Banner Pacesetter of Chinalco.
ZHOU Dongfang	aged 47, is currently the deputy general manager of the Company. He is a senior engineer, a master level graduate with a master's degree in engineering. He has served as a technician, chief engineer, deputy director of electrolysis room and deputy director of technology research and development department of Shenyang Aluminium and Magnesium Design and Research Institute, deputy chief engineer, deputy director of technology research and development department (presiding over the work), deputy director and director of science and technology management department of Shenyang Aluminium and Magnesium Design and Research Institute Co. Ltd., deputy general manager of investment management department and general manager of information management department of Aluminium Corporation of China, deputy general manager of Chalco Science and Technology Research Institute Company Limited (Central Research Institute), director of Chalco Green Metallurgy Research Institute, director of Chalco Ningxia Energy Group Company Limited, director of Shanxi Huasheng Aluminium Co., Ltd., etc.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
TAO Fulun	<p>aged 52, is currently the chief financial officer, the secretary of the Board and a joint company secretary of the Company. He is a senior accountant, and graduated from university with a bachelor's degree in economics. He served as an accountant of the Finance Department of Lanzhou Aluminium Factory, the head of cost section, head of budget section, of the finance department of Lanzhou Aluminium Co., Ltd., and a business manager, deputy manager and manager of the budget and analysis division of the finance department of Aluminium Corporation of China Limited, a supervisor of Gansu Hualu Aluminium Co., Ltd., a director of Guangxi Huazheng Aluminium Co., Ltd., the chairman of the board of supervisors of Shanxi Huaxing Aluminium Co., Ltd., the chairman of the board of supervisors of Shandong Huayu Aluminium Electricity Co., Ltd., chairman of the board of supervisors of Shandong Huayu Alloy Materials Co., Ltd., an assistant to the general manager, general manager of the finance department and financial controller of Chalco Logistics Group Co., Ltd., the financial controller of Lanzhou Aluminium Co., Ltd., and a deputy financial supervisor of China Aluminum International Engineering Corporation Limited.</p>
BAI Jie	<p>aged 41, is currently the General Counsel of the Company, Chief Compliance Officer and General Manager of the Legal Compliance Department. She is a master level graduate with a Juris Master and holds legal professional qualification, corporate lawyer qualification and corporate legal consultant qualification. Ms. BAI served as a business manager, senior business manager, deputy general manager of the Risk Management and Legal Affairs Department, deputy general manager of the Legal Department, deputy general manager of the Compliance and Risk Control Department (Legal Department and Audit Department) of Chalco International Trading Co., Ltd., deputy general manager of the Legal Department of Chalco (Shanghai) Co., Ltd., and general manager of the Compliance and Risk Control Department of Chalco International Trading Co., Ltd.</p>

**SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)**

Name	Main work experience
BI Xiaoge	<p>aged 57, served as a deputy general manager and safety director of China Aluminum International Engineering Corporation Limited during the reporting period. He is currently the senior specialist of the Company. He is a senior engineer and graduated from Party School of the Central Committee. He served in various positions in Shandong Aluminum Company (山東鋁業公司), including a technician in quality management department of the Alumina Plant; the deputy director of Alumina Plant Workshop No. 62, the deputy head of quality management department, and the head of Workshop No. 2. He served as the director of quality management department of Shandong Aluminum Holdings Limited (山東鋁業股份有限公司), the deputy head of quality management department of Shandong Aluminum Company (山東鋁業公司), the deputy manager of the production operation department (quality management department), the deputy manager (taking charge of the work) and general manager of planning operation department of Shandong Branch of Chalco (中國鋁業山東分公司), the manager of the investment management department of Chalco Shandong Co., Ltd. (中鋁山東有限公司), a member of the enterprise transformation and upgrading workgroup of Chinalco Zhengzhou (中鋁鄭州); the deputy general manager of Henan Branch of Chalco (中國鋁業河南分公司), a standing member of the Party Committee of China Great Wall Aluminum Corporation Limited (中國長城鋁業有限公司); the deputy general manager of Chinalco Mining Corporation Limited (中鋁礦業有限公司), and executive director of China Aluminum International Yunnan Aluminum Application Engineering Co., Ltd. (中鋁國際雲南鋁應用工程有限公司) (preceded by Beijing Zichen Investment & Development Co., Ltd. (北京紫宸投資發展有限公司)), an executive director of China Aluminum Technology, vice-chairman of CNPT, and a director of China Aluminum Bidding Company Limited, etc..</p>

Other information

☐ Applicable ☒ Not applicable



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(II) Particulars of positions held by existing directors, supervisors and senior management, and those departed during the reporting period

1. Positions held at the Shareholder

☒ Applicable ☐ Not applicable

Position holder's name	Shareholder's name	Position at the Shareholder	Starting date of term	Ending date of term
ZHANG Decheng	Chinalco	General Counsel	2024.12	–
		General Manager, Legal Compliance Department	2024.12	–
YANG Xu	Chinalco	Full-time external director of affiliated enterprise	2024.03	–
ZHOU Xinzhe	Chinalco	Full-time external director of affiliated enterprise	2021.09	2024.02
LIN Ni	Chinalco	General Manager of Audit Department	2022.01	–
HE Wenjian	Chinalco	General Manager of Management Innovation Department (Reform Office, Digitalisation Management Department) of Chinalco	2021.07	2024.11
Explanation of positions at the shareholder:	None			

**SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)****2. Position held at other entities**✓ Applicable ☐ Not applicable

Position holder's name	Other entity's name	Position at other entity	Starting date of term	Ending date of term
LI Yihua	Aluminum Corporation of China Iron Ore Holdings Limited	Director	2018.10	–
LIU Jing	Aluminum Corporation of China Iron Ore Holdings Limited	Director	2018.10	–
ZHAO Hongmei	Chinalco Assets Operation and Management Co., Ltd.	Director	2024.10	–
ZHANG Decheng	Aluminum Corporation of China Iron Ore Holdings Limited	Director	2023.11	–
	Chinalco Capital Holdings Limited	Director	2024.05	–
	Sunshine Vision Company	Director	2024.05	–
	Aluminum Corporation of China Overseas Holdings Limited	Director	2024.04	–
	Orient Vision Company	Director	2024.05	–
	Chinalco Science and Technology Research Institute Co., Ltd. (Chinalco Future Science and Technology Research Institute)	Supervisor	2024.07	–
	Chinalco Investment Holdings Co., Ltd.	Director	2024.05	–
	China Aluminium Intelligent Technology Development Co., Ltd.	Director	2023.11	2024.11
	CTG	Director	2024.04	–
	WCS Singapore Holding Company	Director	2024.04	–
	WCS Project Company	Director	2024.04	–
	Ninth Metallurgical Construction Co., Ltd.	Director	2021.12	2024.03
	Chalco (Shanghai) Carbon Co., Ltd.	Director	2021.12	2024.03
ZHOU Xinzhe				



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Position holder's name	Other entity's name	Position at other entity	Starting date of term	Ending date of term
SIU Chi Hung	China Gas Industry Investment Holdings Co., Ltd	Independent Non-executive Director	2020.12	–
	MicroPort NeuroTech Limited	Independent Non-executive Director	2022.07	2024.06
	Dongjiang Environmental Company Limited	Independent Non-executive Director	2020.12	–
	Central China Management Company Limited	Independent Non-executive Director	2021.05	2024.05
	Bank of Zhengzhou Co., Ltd.	Independent Non-executive Director	2025.03	–
	Sichuan Energy Investment Development Co., Ltd.	Independent Non-executive Director	2,024.08	–
TONG Pengfang	China Rare Earth Holdings Limited	Independent director	2019.04	
	Yunnan Tin Group (Holding) Co., Ltd.	External director	2020.03	–
GUI Weihua	China Nerin Engineering Co., Ltd.	Independent Non-executive Director	2018.05	2024.07
ZHANG Ting'an	NEU Non-ferrous Metals Metallurgical Solid Waste Technology Institute (Liaoning) Co., Ltd.	Chairman of the board of directors	2018.05	–
	Chaoyang Jinda Titanium Co., Ltd.	Independent director	2022.06	–
	Jiangsu Tiangong Technology Company Limited	Independent director	2022.09	–
LIN Ni	Aluminum Corporation of China Limited	Chairman of the Board of Supervisors	2024.07	–
	Chinalco Material Application Research Institute Co., Ltd.	Supervisor	2017.01	–
HE Wenjian	Aluminum Corporation of China Limited			
		Executive Director	2024.11	–
		General Manager	2024.11	–
Xiao Hongmei	Hanzhong Steel Structure Factory of the Steel Structure Technology Branch of Ninth Metallurgical Construction Co., Ltd.	Party secretary	2024.12	–
		Welder of the production department	2015.09	–
Explanation of positions at other entities	None			



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(III) Emoluments of directors, supervisors and senior management

☒ Applicable ☐ Not applicable

Decision-making procedures for remuneration of directors, supervisors and senior management

The human resources department of the Company proposes remuneration packages for the directors, supervisors and senior management of the Company based on the market level and the remuneration strategy of the Company, and submits them to the board of directors of the Company for consideration and approval after consideration and approval by the Remuneration Committee of the board of directors of the Company. Among them, the remuneration of senior management shall be finalised by the board of directors of the Company, and the remuneration of directors and supervisors shall be submitted to the shareholders' general meeting for finalisation after being considered and approved by the board of directors of the Company.

Whether a director abstains from the discussion of his/her own remuneration at the Board meeting

Yes

The specific circumstances under which the Remuneration Committee or the independent directors met specifically to make recommendations on matters relating to the remuneration of directors, supervisors and senior management personnel

The Remuneration Committee of the board of directors has agreed to hand over the proposal regarding the remuneration of directors and senior management personnel to the board of directors of the Company for submission to the general meeting for consideration.

Basis for determining the remuneration of directors, supervisors and senior management

The Company determines the remuneration of its directors, supervisors and senior management in accordance with its development strategy, corporate culture and remuneration strategy, by making reference to the remuneration levels of equivalent positions in comparable enterprises in the market (in terms of size, industry, nature, etc.), and by taking into account the annual operating results of the Company and the performance of the directors, supervisors and the performance appraisal results of the senior management.

Actual payment of remuneration to directors, supervisors and senior management

The Company pays remuneration to the directors, supervisors and senior management in full and on time every month in accordance with the remuneration standards for directors, supervisors and senior management as finalised by the Shareholders' General Meeting and the Board.

Total remuneration actually received by all directors, supervisors and senior management at the end of the Reporting Period

RMB4.6659 million



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(IV) CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

✓ Applicable ☐ Not applicable

Name	Position	Change	Reason for change
LIU Ruiping	Executive Director	Departed	Job transfer
	Member of the Nomination Committee under the Board of Directors		
LIU Dongjun	Executive Director	Elected	Elected and appointed
	Member of the Nomination Committee under the Board of Directors	Engaged	Engaged by the Board
ZHAO Hongmei	Chief Financial Officer	Departed	Job redesignation
	Secretary to the Board		
TAO Fulun	Chief Financial Officer	Engaged	Job transfer
	Secretary to the Board		
YANG Xu	Non-executive Director	Elected	Elected and appointed
	Member of the Risk Management Committee	Engaged	Engaged by the Board
	Member of the Audit Committee		
	Member of the Remuneration Committee		
ZHOU Xinzhe	Member of the Strategy Committee	Departed	Retirement
	Non-executive Director		
	Member of the Risk Management Committee		
	Member of the Audit Committee		
	Member of the Remuneration Committee		

**SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)**

Name	Position	Change	Reason for change
ZHANG Ting'an	Member of the Strategy Committee		
	Non-executive Director	Elected	Elected and appointed
	Member and chairman of the Remuneration Committee	Engaged	Engaged by the Board
	Member of the Nomination Committee		
GUI Weihua	Member of the Strategy Committee		
	Non-executive Director	Departed	Served as an independent non-executive director for six consecutive years
	Member and chairman of the Remuneration Committee		
	Member of the Nomination Committee		
BI Xiaoge	Member of the Strategy Committee		
	Deputy General Manager	Departed	Job transfer

Each of Mr. LIU Dongjun, an executive director, Mr. YANG Xu, a non-executive director, and Mr. ZHANG Ting'an, an independent non-executive director, has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 4 June 2024 and has confirmed that each of them understood their responsibilities as directors, the requirements of the HKEX Listing Rules applicable to them and the possible consequences of making a false statement or giving false information to the Stock Exchange.

(V) Details on punishments imposed by securities regulatory authorities in last 3 years

☐ Applicable ☒ Not applicable

(VI) Others

☐ Applicable ☒ Not applicable



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

IX. MEETINGS OF THE BOARD OF DIRECTORS HELD WITHIN THE REPORTING PERIOD

Session of meeting	Convening date	Resolutions
The 18th meeting of the 4th Session of the Board of Directors of China Aluminum International Engineering Corporation Limited	28 January 2024	A total of 1 proposal was considered and approved, including the “Proposal of Asset Impairment Provision of the Company for the Year 2023”, as detailed in the Announcement.
The 19th meeting of the 4th Session of the Board of Directors of China Aluminum International Engineering Corporation Limited	28 March 2024	A total of 30 proposals were considered and approved, including the “Proposal in Relation to the Appointment of the Company’s Secretary to the Board of Directors, Joint Company Secretary and Authorized Representative”, as detailed in the Announcement.
The 20th meeting of the 4th Session of the Board of Directors of China Aluminum International Engineering Corporation Limited	18 April 2024	A total of 3 proposals were considered and approved, including the “Proposal on the Company’s First Quarterly Report for 2024,” as detailed in the Announcement.
The 21st meeting of the 4th Session of the Board of Directors of China Aluminum International Engineering Corporation Limited	18 June 2024	A total of 5 proposals were considered and approved, including the “Proposal on the Adjustment of Composition of the Specialized Committees of the Fourth Session of the Board of Directors of the Company”, as detailed in the Announcement.
The 22nd meeting of the 4th Session of the Board of Directors of China Aluminum International Engineering Corporation Limited	26 August 2024	A total of five proposals were considered and approved, including the “Proposal on the Company’s Interim Report for 2024,” as detailed in the Announcement.

**SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)**

Session of meeting	Convening date	Resolutions
The 23rd meeting of the 4th Session of the Board of Directors of China Aluminum International Engineering Corporation Limited	15 October 2024	A total of 2 proposals were considered and approved, including the “Proposal on the Capital Increase to the Controlling Subsidiary, China Aluminum Shandong Engineering Technology Corporation Limited”, as detailed in the Announcement.
The 24th meeting of the 4th Session of the Board of Directors of China Aluminum International Engineering Corporation Limited	29 October 2024	A total of six proposals were considered and approved, including the “Proposal on the Company’s Third Quarterly Report for 2024,” as detailed in the Announcement.
The 25th meeting of the 4th Session of the Board of Directors of China Aluminum International Engineering Corporation Limited	21 November 2024	A total of 6 proposal was considered and approved, including the “Proposal on the Progress of Capital Increase of the Wholly-owned Subsidiary Through the Introduction of Investors Through Public Listing and Related Party Transaction”, as detailed in the Announcement.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

X. DUTY PERFORMANCE OF DIRECTORS

(I) Directors attendance at the Board meeting and the general meeting

Director's Name	Independent director or not	Number of attendances at the Board meeting of the year	Attendance at the board meeting				Absent for two consecutive times or not	Attendance at the general meeting
			Number of attendances in person	Number of attendances online	Number of attendances by proxy	Number of absences		
LI Yihua	No	8	8	1	0	0	No	4
LIU Jing	No	8	7	1	1	0	No	4
LIU Dongjun	No	6	5	0	1	0	No	1
ZHAO Hongmei	No	8	8	1	0	0	No	4
ZHANG Decheng	No	8	5	1	3	0	Yes	1
YANG Xu	No	6	6	0	0	0	No	1
ZHANG Ting'an	Yes	6	6	0	0	0	No	1
SIU Chi Hung	Yes	8	8	1	0	0	No	4
TONG Pengfang	Yes	8	8	1	0	0	No	4
LIU Ruiping	No	2	1	1	1	0	No	3
GUI Weihua	Yes	2	1	1	1	0	No	3
ZHOU Xinzhe	No	2	2	1	0	0	No	3

Note 1: Mr. LIU Ruiping tendered his resignation to the board due to work adjustment, and resigned as a director of the Company and a member of the Nomination Committee of the board. His resignation took effect from 18 June 2024. Mr. ZHOU Xinzhe tendered his resignation to the board due to work adjustment, and resigned as a director of the Company, a member of the Risk Management Committee of the Board of Directors, a member of the Audit Committee of the Board of Directors, a member of the Remuneration Committee of the Board of Directors and a member of the Strategy Committee of the board. His resignation took effect from 18 June 2024. After his resignation, Mr. ZHOU Xinzhe ceased to hold any position in the Company. Mr. GUI Weihua tendered his resignation to the board due to work adjustment, and resigned as a director of the Company, a member and the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Strategy Committee of the board. His resignation took effect from 18 June 2024. After his resignation, Mr. GUI Weihua ceased to hold any position in the Company.

Note 2: On 18 June 2024, the Company held its 2023 annual general meeting and elected Mr. LIU Dongjun as an executive director of the fourth session of the Board of Directors of the Company, Mr. YANG Xu as a non-executive director of the fourth session of the Board of Directors of the Company and Mr. ZHANG Ting'an as an independent non-executive director of the fourth session of the Board of Directors of the Company.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Explanation of absence from the Board meeting for two consecutive times

☒ Applicable ☐ Not applicable

On 18 June 2024, the Company convened the 21st meeting of the 4th Session of the Board of Directors. Mr. ZHANG Decheng, an non-executive director, was unable to attend the meeting in person due to other official duties and, after reviewing the information on the resolution of the meeting, appointed Mr. YANG Xu, an non-executive director, in writing to attend and vote on his behalf.

On 26 August 2024, the Company convened the 22nd meeting of the 4th Session of the Board of Directors. Mr. ZHANG Decheng, an non-executive director, was unable to attend the meeting in person due to other official duties and, after reviewing the information on the resolution of the meeting, appointed Mr. YANG Xu, an non-executive director, in writing to attend and vote on his behalf.

On 29 October 2024, the Company convened the 24th meeting of the 4th Session of the Board of Directors. Mr. ZHANG Decheng, an non-executive director, was unable to attend the meeting in person due to other official duties and, after reviewing the information on the resolution of the meeting, appointed Mr. YANG Xu, an non-executive director, in writing to attend and vote on his behalf.

Number of Board meetings held during the year	8
Including: number of meetings offline	7
Number of meetings online	1
Number of meetings online + offline	0

(II) Directors' objections to relevant matters

☐ Applicable ☒ Not applicable



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(III) Others

✓ Applicable ☐ Not applicable

Directors' training

Within the Reporting Period, all directors participated in continuous professional development to develop and refresh their knowledge and expertise so as to ensure their continuous contributions to the Board when informed and necessary. The details of training for all directors as at the end of the Reporting Period are as follows:

Name	Position	Training content
LI Yihua	Executive Director	Featured training for directors and supervisors by the Listed Companies Association of Beijing, training by China Association for Public Companies on the Securities Law and the reform of the independent director system, etc.
LIU Jing	Executive Director	Featured training for directors and supervisors by the Listed Companies Association of Beijing, etc.
LIU Ruiping	Executive Director	The 12th session of featured training for directors and supervisors of Beijing listed companies in 2024
LIU Dongjun	Executive Director	Featured training for directors and supervisors by the Listed Companies Association of Beijing, etc.
ZHAO Hongmei	Executive Director	Featured training for directors and supervisors of Beijing listed companies, etc.
ZHANG Decheng	Non-executive Director	Featured training for directors and supervisors of Beijing listed companies, etc.
YANG Xu	Non-executive Director	Featured training for directors and supervisors of Beijing listed companies, etc.
ZHOU Xinzhe	Former Non-executive Director	Featured training for directors and supervisors by the Listed Companies Association of Beijing, etc.
SIU Chi Hung	Independent Non-executive Director	Featured training for directors and supervisors of Beijing listed companies, etc.
TONG Pengfang	Independent Non-executive Director	Featured training for directors and supervisors of Beijing listed companies, etc.
GUI Weihua	Former Independent Non-executive Director	Featured training for directors and supervisors by the Listed Companies Association of Beijing, etc.
ZHANG Ting'an	Independent Non-executive Director	Featured training for directors and supervisors of Beijing listed companies, etc.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

XI. CHAIRMAN AND PRESIDENT

The roles of chairman and general manager (i.e. general manager under relevant provisions of the SSE Listing Rules and chief executive officer under relevant provisions of the HKEX Listing Rules) of the Company are performed by two different persons respectively to ensure their independence and accountability and the balance of power and authorization. The Articles of Association defines the division of responsibilities between the chairman and the general manager.

As of the date of disclosure of this report, Mr. LI Yihua is the chairman of the Board of Directors, Mr. LIU Jing is the general manager of the Company.

XII. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

✓ Applicable ☐ Not applicable

(I) Members of special committees under the Board of Directors

Committee	Members
Audit Committee	Chairman of the committee: SIU Chi Hung (independent non-executive director) Members: YANG Xu (non-executive director), TONG Pengfang (independent non-executive director)
Nomination Committee	Chairman of the committee: TONG Pengfang (independent non-executive director) Members: LIU Dongjun (executive director), ZHANG Ting'an (independent non-executive director)
Remuneration Committee	Chairman of the committee: ZHANG Ting'an (independent non-executive director) Members: YANG Xu (non-executive director), TONG Pengfang (independent non-executive director)
Strategy Committee	Chairman of the committee: LI Yihua (executive director) Members: YANG Xu (non-executive director), ZHANG Ting'an (independent non-executive director)
Risk Management Committee	Chairman of the committee: ZHANG Decheng (non-executive director) Members: YANG Xu (non-executive director), TONG Pengfang (independent non-executive director)

Note: On 28 March 2024, the Board of Directors of the Company elected Mr. ZHANG Decheng as member and chairman of the Risk Management Committee of the Board of Directors of the Company.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(II) The Audit Committee held seven meetings within the Reporting Period

The main duties of the Audit Committee include: to review the Company's internal control system and direct the construction of internal corporate control mechanism; to review the Company's financial controls and to review the Company's internal control system; to discuss with management the risk management and internal control system to ensure that management has performed its duty to establish an effective system. Such discussions should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function; to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to such findings; to make recommendations to the Board on the hiring and dismissal of the Company's financial controller; to make recommendations to the Board of Directors on the appointment, reappointment or replacement of relevant intermediaries, such as accounting firms, and their remuneration; to review the remuneration and terms of engagement of the auditors and to address any issues relating to the resignation or dismissal of the auditors; to review and monitor the auditor's independence and objectivity as well as the effectiveness of the audit process in accordance with applicable standards, and the Audit Committee should discuss with the auditor before the auditor commences work the nature and scope of the audit and reporting obligations; and formulate and implement policy on the provision of non-audit services by the auditor. For this purpose, "auditor" includes any organization that is under common control, ownership or management with the company in charge of the audition, or any organization that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the domestic or international operations of the company in charge of the audition. The Audit Committee shall report to the Board and make recommendations on any matters where action or improvement is needed; review the financial statements and the financial information in the Company's annual report, interim report and quarterly reports, the report on the evaluation of internal control and completeness, and review significant financial reporting judgments contained in the statements and reports. The Audit Committee shall, before submitting such statements and reports to the Board, review, in particular, (i) Any changes in accounting policies and practices; (ii) Where important judgments are involved; (iii) Significant adjustments arising from audits; (iv) The assumptions of the Company as a going concern and any qualified opinions; (v) Whether the accounting standards and other provisions are complied with; for the purposes of the preceding paragraph, (i) members of the audit committee shall liaise with the Board and the senior management. The Audit Committee shall meet, at least twice a year, with the Company's auditors; and (ii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and shall give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors, and shall make appropriate recommendations to the Board concerning any changes in accounting policies, accounting estimates or significant accounting errors, that are attributable to reasons other than changes in accounting standards; to make recommendations to the Board on changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards; to ensure coordination between the Company's internal and external auditors; and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and to review and monitor its effectiveness; to review the Company's and its subsidiaries' financial and accounting policies and practices; to review the auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and the management's response; ensuring that the Board would provide timely response to the issues raised in the auditor's management letter; reporting to the Board on the matters set out in the Corporate Governance Code, Appendix C1 to the HKEX Listing Rules; examining such other topics as may be defined by the Board; and reviewing the following arrangements set up by the Company: employees of the Company to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate action to be taken by the Company; and to act as the key representative body for overseeing the relationship between the Company and the auditors.

**SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)**

Convening date	Meeting content	Key opinions and suggestions	Other compliance
28 January 2024	A total of 1 proposal was considered, namely the “Proposal of Asset Impairment Provision of the Company for the Year 2023”.	No objection, unanimously passed.	–
28 March 2024	1. Received a report from the auditor on the audit of the Company’s financial report and the audit of the internal control for FY2023 2. A total of 1 proposal was considered, including the Proposal on the 2023 Annual Results Announcement and Annual Report of the Company (《關於公司2023年度業績公告和年度報告的議案》).	No objection, unanimously passed.	–
17 April 2024	A total of 1 proposal was considered, namely the Proposal on the 2024 First Quarterly Report of the Company (《關於公司2024年第一季度報告的議案》).	No objection, unanimously passed.	–
23 August 2024	A total of 3 proposals were considered, including the Proposal on the 2024 Interim Report of the Company (《關於公司2024年半年度報告的議案》).	No objection, unanimously passed.	–
14 October 2024	A total of 1 proposal was considered, namely the “Proposal on the Capital Increase to the Controlling Subsidiary, China Aluminum Shandong Engineering Technology Corporation Limited”.	No objection, unanimously passed.	–
28 October 2024	A total of 1 proposal was considered, namely the Proposal on the 2024 Third Quarterly Report of the Company (《關於公司2024年第三季度報告的議案》).	No objection, unanimously passed.	–
21 November 2024	A total of 1 proposal was considered, namely the “Proposal on the appointment of the Financial Controller of the Company”	No objection, unanimously passed.	–

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
SIU Chi Hung	Member and chairman of the Audit Committee	7/7	100%
ZHOU Xinzhe	Member of the Audit Committee	3/3	100%
YANG Xu	Member of the Audit Committee	4/4	100%
TONG Pengfang	Member of the Audit Committee	7/7	100%

Note 1: Mr. ZHOU Xinzhe tendered his resignation to the board due to work adjustment, and resigned as a director of the Company, a member of the Audit Committee of the Board of Directors, a member of the Remuneration Committee of the Board of Directors and a member of the Strategy Committee of the board. His resignation took effect from 18 June 2024. After his resignation, Mr. ZHOU Xinzhe ceased to hold any position in the Company.

Note 2: At the Twenty-first Meeting of the Fourth Session of the Board of Directors held on 18 June 2024, Mr. YANG Xu was elected as a member of the Risk Management Committee, a member of the Audit Committee, a member of the Remuneration Committee and a member of the Strategy Committee of the Fourth Session of the Board of Directors of the Company.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(III) The Nomination Committee held two meetings within the Reporting Period

The main duties of the Nomination Committee include: to review the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors on a regular basis and make recommendations to the Board regarding any proposed changes; to widely search for individuals who are suitable to become a member of the Board and the senior management, to examine and make recommendations to the Board on the election of individuals nominated for directors and the senior management; to assess the independence of the independent directors; to examine the selection criteria and procedure for the directors and the senior management and make recommendations in this regard; to make recommendations to the Board on matters relating to the appointment or reappointment of directors or the senior management and succession plans for directors (including the chairman) or the senior management.

Convening date	Meeting content	Key opinions and suggestions	Other compliance
28 March 2024	A total of 4 proposals were considered, including the "Proposal on the Nomination of Candidates for Independent Non-executive Directors of the Fourth Session of the Board of the Company".	No objection, unanimously passed.	-
21 November 2024	A total of 1 proposal was considered, namely the "Proposal on the appointment of the Financial Controller of the Company"	No objection, unanimously passed.	-

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
TONG Pengfang	Member and chairman of the Nomination Committee	2/2	100%
LIU Ruiping	Member of the Nomination Committee	1/1	100%
LIU Dongjun	Member of the Nomination Committee	1/1	100%
GUI Weihua	Member of the Nomination Committee	1/1	100%
ZHANG Ting'an	Member of the Nomination Committee	1/1	100%

Note 1: Mr. LIU Ruiping tendered his resignation to the board due to work adjustment, and resigned as a director of the Company and a member of the Nomination Committee of the board. His resignation took effect from 18 June 2024.

Note 2: Mr. GUI Weihua tendered his resignation to the Board of Directors due to work adjustment and resigned as a director, a member and chairman of the Remuneration Committee of the Board of Directors, a member of the Nomination Committee of the Board of Directors and a member of the Strategy Committee of the Board of Directors of the Company. His resignation took effect from 18 June 2024. After his resignation, Mr. GUI Weihua ceased to hold any position in the Company.

Note 3: At the Twenty-first Meeting of the Fourth Session of the Board of Directors of the Company held on 18 June 2024, Mr. LIU Dongjun was elected as a member of the Nomination Committee of the Fourth Session of the Board of Directors of the Company, and Mr. ZHANG Ting'an was elected as a member and the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Strategy Committee of the Fourth Session of the Board of Directors of the Company.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(IV) The Remuneration Committee held four meetings within the Reporting Period

The main duties of the Remuneration Committee are: to study the evaluation criteria for directors and senior management, conduct evaluations; to make recommendations to the Board of Directors on the overall remuneration policy and structure of the directors and the senior management of the Company and on the establishment of a formal and transparent procedure for developing such remuneration policies; to make recommendations to the Board of Directors in respect of the specific remuneration packages of all executive directors and the senior management, including benefits in kind, pension rights and compensation payments (including compensation payable for loss or termination of office or appointment), and make recommendations to the Board of Directors in respect of the remuneration of non-executive directors; to review and approve performance-based remuneration with reference to corporate objectives as approved by the Board of Directors from time to time; to consider the remuneration paid by comparable companies, the time which should be devoted, duties which should be assumed, and the terms of employment of other positions within the Company and its subsidiaries; to review and approve the compensation payable to executive directors and the senior management in connection with any loss or termination of office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that if not, such compensation should be otherwise fair and reasonable and not excessive for the Company; to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that if not, such compensation payment should be otherwise reasonable and appropriate; to ensure that no director or any of his/her associates is involved in determining his/her own remuneration; to make recommendations to the Board on the establishment of, or any changes to, share incentive schemes, employee share schemes, and on the conditions for the granting of, and exercise of, the rights and interests of the participants of the share incentives schemes; and to make recommendations to the Board on the arrangements for the share schemes for directors and senior management in relation to the proposed spin-off of relevant subsidiary(ies).



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Convening date	Meeting content	Key opinions and suggestions	Other compliance
28 March 2024	A total of 4 proposals were considered, including the Proposal on the Review of the Remuneration Standards for Executive Directors of the Company for 2024 (《關於公司2024年度執行董事薪酬標準的議案》).	No objection, unanimously passed.	-
17 April 2024	A total of 1 proposal was considered, including the Proposal on 2023 Restricted Share Incentive Scheme (Draft Revised) of China Aluminum International Engineering Corporation Limited and Its Summary (《關於中鋁國際工程股份有限公司2023年限制性股票激勵計劃(草案修訂稿)及其摘要的議案》).	No objection, unanimously passed.	-
18 June 2024	A total of 2 proposals were considered, including the "Proposal on Adjustment of Certain Matters of the 2023 Restricted Share Incentive Scheme of the Company".	No objection, unanimously passed.	-
28 October 2024	A total of 3 proposals were considered, including the "Proposal on the Revision of 'Measures for Performance Evaluation of Senior Management Personnel of China Aluminum International Engineering Corporation Limited'".	No objection, unanimously passed.	-

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
GUI Weihua	Member and chairman of the Remuneration Committee	2/2	100%
ZHANG Ting'an	Member and chairman of the Remuneration Committee	2/2	100%
ZHOU Xinzhe	Member of the Remuneration Committee	2/2	100%
TONG Pengfang	Member of the Remuneration Committee	4/4	100%
YANG Xu	Member of the Remuneration Committee	2/2	100%

Note 1: Mr. GUI Weihua tendered his resignation to the Board of Directors due to work adjustment and resigned as a director, a member and chairman of the Remuneration Committee of the Board of Directors, a member of the Nomination Committee of the Board of Directors and a member of the Strategy Committee of the Board of Directors of the Company. His resignation took effect from 18 June 2024. After his resignation, Mr. GUI Weihua ceased to hold any position in the Company.

Note 2: Mr. ZHOU Xinzhe tendered his resignation to the board due to work adjustment, and resigned as a director of the Company, a member of the Audit Committee of the Board of Directors, a member of the Remuneration Committee of the Board of Directors and a member of the Strategy Committee of the board. His resignation took effect from 18 June 2024. After his resignation, Mr. ZHOU Xinzhe ceased to hold any position in the Company.

Note 3: At the Twenty-first Meeting of the Fourth Session of the Board of Directors of the Company held on 18 June 2024, Mr. YANG Xu was elected as a member of the Risk Management Committee, a member of the Audit Committee, a member of the Remuneration Committee and a member of the Strategy Committee of the Fourth Session of the Board of Directors of the Company, and Mr. ZHANG Ting'an was elected as a member and the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Strategy Committee of the Fourth Session of the Board of Directors of the Company.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(V) The Strategy Committee held five meetings within the Reporting Period

The main duties of Strategy Committee include: to conduct research and provide advice on the Company's long-term development strategy and major investment decisions, and to assess and monitor their implementation; to conduct research and provide advice on the plan of increasing or decreasing registered capital, issuance of corporate bonds, merger, separation, dissolution of the Company; to conduct research and provide advice for the Company on the major business restructuring, acquisition, merger, disposal of assets which required review by the Board of Directors; to conduct research and provide advice for the Company on the expansion of new markets and new businesses; to conduct research and provide advice for the Company on the problems such as investment and financing, asset operation and capital operation of which required review of the Board of Directors; to conduct research and provide advice for the Company on major restructuring and adjustment plan; to conduct examination and assessment for the facts of the above-mentioned matters and provide written opinions on the results of examination and assessment; to guide and supervise the Board of Directors in respect of the execution of the relevant resolutions; and other duties delegated by the Board of Directors.

Convening date	Meeting content	Key opinions and suggestions	Other compliance
28 March 2024	A total of 3 proposals were considered, including the Proposal on the Capital Expenditure Plan of the Company for 2024 (《關於公司2024年度資本性支出計劃的議案》).	No objection, unanimously passed.	-
18 June 2024	A total of 1 proposal was considered, namely the "Proposal on the Adjustment of the Company's Development Plan for the '14th Five-Year Plan' Period"	No objection, unanimously passed.	-
23 August 2024	A total of 1 proposal was considered, namely the "Proposal on the Progress of Capital Increase of the Wholly-owned Subsidiary Through the Introduction of Investors Through Public Listing".	No objection, unanimously passed.	-
14 October 2024	A total of 2 proposals were considered, including the "Proposal on the Capital Increase to the Controlling Subsidiary, China Aluminum Shandong Engineering Technology Corporation Limited".	No objection, unanimously passed.	-
21 November 2024	A total of 1 proposal was considered, namely the "Proposal on the Progress of Capital Increase of the Wholly-owned Subsidiary Through the Introduction of Investors Through Public Listing".	No objection, unanimously passed.	-



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
LI Yihua	Member and chairman of the Strategy Committee	5/5	100%
ZHOU Xinzhe	Member of the Strategy Committee	1/1	100%
GUI Weihua	Member of the Strategy Committee	1/1	100%
YANG Xu	Member of the Strategy Committee	4/4	100%
ZHANG Ting'an	Member of the Strategy Committee	4/4	100%

Note 1: Mr. GUI Weihua tendered his resignation to the Board of Directors due to work adjustment and resigned as a director, a member and chairman of the Remuneration Committee of the Board of Directors, a member of the Nomination Committee of the Board of Directors and a member of the Strategy Committee of the Board of Directors of the Company. His resignation took effect from 18 June 2024. After his resignation, Mr. GUI Weihua ceased to hold any position in the Company.

Note 2: Mr. ZHOU Xinzhe tendered his resignation to the board due to work adjustment, and resigned as a director of the Company, a member of the Audit Committee of the Board of Directors, a member of the Remuneration Committee of the Board of Directors and a member of the Strategy Committee of the board. His resignation took effect from 18 June 2024. After his resignation, Mr. ZHOU Xinzhe ceased to hold any position in the Company.

Note 3: At the Twenty-first Meeting of the Fourth Session of the Board of Directors of the Company held on 18 June 2024, Mr. YANG Xu was elected as a member of the Risk Management Committee, a member of the Audit Committee, a member of the Remuneration Committee and a member of the Strategy Committee of the Fourth Session of the Board of Directors of the Company, and Mr. ZHANG Ting'an was elected as a member and the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Strategy Committee of the Fourth Session of the Board of Directors of the Company.

(VI) The Risk Management Committee held three meetings within the Reporting Period

The main duties of Risk Management Committee are: to consider judgment standard or mechanism for material business decisions, material risks, material events and important business processes and the risk assessment report of major decisions; to supervise, assess and inspect the completeness and operating effectiveness of the Company's internal risk management system and report the same to the Board of Directors; to guide and promote the construction of rule of law and compliance management of the Company, and to supervise the the managerial level's performance of compliance management in accordance with the law; to examine, approve or verify the matters related to investment, financing and external transactions contracts submitted by the management pursuant to the authority granted by the Board; to handle other matters entrusted by the Board.

**SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)**

Convening date	Meeting content	Key opinions and suggestions	Other compliance
28 March 2024	A total of 4 proposals were considered, including the "Proposal on the 2024 Comprehensive Risk Management Report of China Aluminum International Engineering Corporation Limited".	No objection, unanimously passed.	-
23 August 2024	A total of 1 proposal was considered, namely the "Proposal on the "Report of the Continuous Assessment of the Risks of Chalieco Finance Co., Ltd. by China Aluminum International Engineering Corporation Limited".	No objection, unanimously passed.	-
28 October 2024	A total of 1 proposal was considered, including the "Proposal on the amendment of the Implementing Rules for Compliance Management of China Aluminum International Engineering Corporation Limited".	No objection, unanimously passed.	-

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
ZHANG Decheng	Member and chairman of the Risk Management Committee	2/2	100%
ZHOU Xinzhe	Member of the Risk Management Committee	1/1	100%
TONG Pengfang	Member of the Risk Management Committee	3/3	100%
YANG Xu	Member of the Risk Management Committee	2/2	100%

Note 1: Mr. GUI Weihua tendered his resignation to the Board of Directors due to work adjustment and resigned as a director, a member and chairman of the Remuneration Committee of the Board of Directors, a member of the Nomination Committee of the Board of Directors and a member of the Strategy Committee of the Board of Directors of the Company. His resignation took effect from 11 June 2024. After his resignation, Mr. GUI Weihua ceased to hold any position in the Company.

Note 2: Mr. ZHOU Xinzhe tendered his resignation to the board due to work adjustment, and resigned as a director of the Company, a member of the Audit Committee of the Board of Directors, a member of the Remuneration Committee of the Board of Directors and a member of the Strategy Committee of the board. His resignation took effect from 11 June 2024. After his resignation, Mr. ZHOU Xinzhe ceased to hold any position in the Company.

Note 3: At the Twenty-first Meeting of the Fourth Session of the Board of Directors held on 18 June 2024, Mr. YANG Xu was elected as a member of the Risk Management Committee, a member of the Audit Committee, a member of the Remuneration Committee and a member of the Strategy Committee of the Fourth Session of the Board of Directors of the Company.

(VII) Specific objections

☐ Applicable ☒ Not applicable



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

XIII. EXPLANATION OF RISKS IDENTIFIED BY THE BOARD OF SUPERVISORS

☐ Applicable ☒ Not applicable

The Board of Supervisors had no objection to the supervisory matters within the Reporting Period.

XIV. PARTICULARS OF EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF REPORTING PERIOD

(I) Employees

Number of existing employees of the parent company	182
Number of existing employees of major subsidiaries	10,671
Total number of existing employees	10,853
Number of resigned and retired employees whose expenses are borne by the parent company and major subsidiaries	7,719

By profession

Profession	Number of employees
Operation and management personnel	2,744
Engineering technicians	6,637
Production and operation personnel	1,235
Logistics services personnel	237
Total	10,853

By level of education

Level of education	Number of employees (persons)
Doctoral postgraduate	37
Master-level postgraduate	1,322
University undergraduate	6,043
Specialised diploma and below	3,451
Total	10,853

The gender composition of the Group's staff is: 8,207 (75.62%) male and 2,646 (24.38%) female.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(II) Remuneration policy

✓ Applicable ☐ Not applicable

In the general principle of “salaries rising with profit and salaries falling with profit”, the Company conducted budgetary management of total salaries, allocating more wages to affiliated enterprises with good economic benefits, better cost control and higher labor productivity. The Company is responsible for managing salaries of the operation management team and controlling total salary of employees of the enterprise, while the operation management team of the enterprise is responsible for corporate internal assessment and salary management of employees. The Company biases total salary allocation towards core and backbone employees, guides enterprises to establish and perfect the backbone employee-biased incentive policy by inclining total amount of salaries towards them, and actively organises enterprises to promote the backbone employee incentive efforts, in order to stimulate the enthusiasm of the core talents, and stabilise the team of backbone employees.

(III) Retirement and employees benefit scheme

Details of the Company’s retirement and employees benefit scheme are set out in note 30 “Employee compensation payable” and note 38 “Long-term employee compensation payable” to the consolidated financial statements.

In accordance with regulations applicable to enterprises and the relevant requirements of various local governments in areas in which we operate, we established the pension insurance, medical insurance, unemployment insurance, maternity insurance and workers’ injury compensation insurance for our employees and workers. We also established an employee housing fund according to applicable PRC regulations. In addition to statutory contributions to the above social insurance, the Company provides voluntary benefits for existing employees and retired employees, including supplementary medical insurance and corporate annuity.

(IV) Employee incentive

The Company keeps responding to the development needs. It further established and optimized an effective employees’ performance assessment system based on clear objectives of each position. The employees’ performance is objectively and accurately assessed by breaking down the key tasks of the Company in the year, clarifying performance objective of different roles and setting performance standards. The assessment results are linked to the performance-based salaries in employees’ remuneration to encourage the potential and devotion of employees.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(V) Training plan

☒ Applicable ☐ Not applicable

The Company has long regarded the employees' education and training as a basic work to continuously improve the overall quality of the employee teams, update the employees' knowledge, and cultivate professional talents with unremitting determination and strict implementation. In the employee education and training, based on the team building condition of the employees and in accordance with the Company's strategy, customers' needs and personal abilities, we aim to improve the employees' political theory level and business performance ability. By adhering to the strategy of "going out and coming in", and insisting on the working concept of organic combination of centralized-training and self-improvement, we invest a large amount of human and financial resources to create a training environment for employees and to implement the measures of employee education and training in an effective manner.

(VI) Outsourced labor

☐ Applicable ☒ Not applicable

XV. PROPOSAL FOR PROFIT DISTRIBUTION OR FOR CONVERTING CAPITAL RESERVE INTO SHARE CAPITAL

(I) Formulation, execution and adjustments to cash dividend policy

☒ Applicable ☐ Not applicable

1. Basic principles for profit distribution

- (1) The Company should fully consider the return to investors and distribute dividends to shareholders every year at the specified percentage of the profit available for distribution for the year.
- (2) The Company should maintain continuity and stability in its profit distribution policy while taking into account the long-term interests of the Company, the overall interests of all shareholders and the sustainable development of the Company.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

- (3) The Company gives priority to profit distribution in cash. In accordance with the procedures stipulated in the Articles of Association, after considering a combination of factors, including characteristics of the industry where it operates, development stage, business model of its own, profitability, as well as whether there is any substantial capital expenditure arrangement, the Company shall put forward differentiated cash dividend distribution policies and determine the percentage of cash dividends in profit distribution for the year. Such percentage should comply with laws, administrative regulations, normative documents and relevant regulations of stock exchanges.

2. Specific policies on profit distribution

According to the Articles of Association, the Company may distribute dividends in cash, in shares, or in a combination of both cash and shares, while it gives priority to profit distribution in cash. Subject to the conditions of dividend distribution, the Company shall distribute profits at least once a year, while interim profit distribution may also be made provided that the Company is guaranteed for normal operation and development. The Board of the Company shall put forward differentiated cash dividend distribution policies in accordance with the procedures stipulated in the Articles of Association, after considering a combination of factors, including characteristics of the industry where it operates, development stage, business model of its own, profitability, as well as whether there is any substantial capital expenditure arrangement(s):

- (1) where the Company is at the developed stage with no substantial capital expenditure arrangement, cash dividend shall be not less than 80% of the profit distribution at the time of profit distribution;
- (2) where the Company is at the developed stage with substantial capital expenditure arrangement, cash dividend shall be not less than 40% of the profit distribution at the time of profit distribution;
- (3) where the Company is at the development stage with substantial capital expenditure arrangement, cash dividend shall be not less than 20% of the profit distribution at the time of profit distribution;
- (4) where the Company has difficulty in identifying the development stage but there is substantial capital expenditure arrangement, dividend distribution may be made in accordance with the preceding provision.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

“Substantial capital expenditure arrangement” means the proposed external investment, asset acquisition or purchase of assets by the Company in the next twelve months in an aggregate expenditure amounting to or exceeding 10% of the latest audited net assets of the Company.

Save for special circumstances, the Company shall give priority to dividend payment in cash out of its post tax profits for the year after the accumulated loss (if any) are made up and legal and discretionary reserves are allocated. The cash distribution shall be no less than 20% of the distributable profits for the year. Actual and reasonable factors such as corporate growth and dilution of net asset value per share should be taken into account when profit is distributed in dividends on shares. The Company may not distribute the cash dividends in the following special circumstances:

- (1) the auditor issues a report other than a standard report without qualified opinion in relation to the annual financial report of the Company.
- (2) the net operating cash flows for the year are negative.
- (3) the Company has major investment plan or significant cash expenditure (except for fund raising projects).

3. Profit distribution proposal for the year 2024

As audited by Grant Thornton (Special General Partnership), as of 31 December 2024, the undistributed profit of the parent company was a loss of RMB390,944,000, and the Company had no profit available for distribution. Taking into account the future investment needs of the Company’s projects, in order to ensure the Company’s continuous and stable operation and the long-term interests of all Shareholders, the Company’s Board has comprehensively considered the Company’s 2025 business plan and capital requirements, and formulated the 2024 profit distribution plan as follows: The Company will not distribute cash dividends, nor convert capital reserve to the share capital or make any distribution of other forms.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(II) Special explanation of cash dividend policy

☒ Applicable ☐ Not applicable

Whether compliant with the Articles of Association or the resolution of general meeting or not

☒ Yes ☐ No

Whether the dividend standard and proportion are clear and definite

☒ Yes ☐ No

Whether relevant decision-making procedure and mechanism are complete

☒ Yes ☐ No

Whether independent directors perform their duties and play their roles due

☒ Yes ☐ No

Whether minority shareholders have the opportunity to fully express their opinions and demands, whether their legitimate rights and benefits are fully protected

☒ Yes ☐ No

(III) If the Company has positive profit within the Reporting Period and the parent has positive profit available for distribution to ordinary shareholders, but the Company does not have a plan for profit distribution in cash to ordinary shares, the Company shall disclose the reasons in detail as well as the purpose and intended use of undistributed profit

☐ Applicable ☒ Not applicable

(IV) Profit distribution and conversion of capital reserve into share capital during the Reporting Period

☐ Applicable ☒ Not applicable

(V) Cash dividends for the last three accounting years

☐ Applicable ☒ Not applicable



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

XVI. SHARE OPTION INCENTIVE PLAN, EMPLOYEE STOCK OPTION PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACT

- (I) **Relevant incentives are already disclosed in temporary announcements and there is no progress or change in subsequent operation**

✓ Applicable ☐ Not applicable

Summary of Matters

Index of Enquiries

On 9 December 2023, the Company disclosed the Summary Announcement of the 2023 Restricted Share Incentive Scheme (Draft) of China Aluminum International Engineering Corporation Limited and the Administrative Measures for the 2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited, proposing to grant restricted shares to senior and middle management as well as key employees. The total number of restricted shares to be granted shall not exceed 29,506,100 shares, representing approximately 0.997% of the total share capital of the Company at the time of the draft announcement. The initial grant will cover no more than 242 grantees, accounting for 93.22% of the total incentive quota, with a reserved grant of 2,000,000 shares, representing 6.78% of the total incentive quota. The source of the restricted shares under this incentive scheme shall be the A-share ordinary shares of Chalieco issued by the Company to the grantees on a private placement basis, with a grant price of RMB2.37 per share. The Incentive Scheme is also subject to the approval of the State-owned Assets Supervision and Administration Commission of the State Council and consideration and approval by shareholders at the general meeting of the Company and the A Share class meeting, and H Share class meeting respectively.

Lin 2023-068

On 3 April 2024, the Company disclosed the Announcement of China Aluminum International Engineering Corporation Limited Regarding the Approval of Its 2023 Restricted Share Incentive Scheme by SASAC.

Lin 2024-015

On 12 June 2024, the Company disclosed the Board of Supervisor's Verification Opinion on the Grantees Under the Company's 2023 Restricted Share Incentive Scheme, in which the Board of Supervisors confirmed that all grantees met the conditions stipulated under relevant laws, regulations, and normative documents, as well as the eligibility criteria set forth in the 2023 Restricted Share Incentive Scheme (Draft) of China Aluminum International Engineering Corporation Limited, and thus their inclusion as grantees was lawful and valid.

Lin 2024-025



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Summary of Matters

Index of Enquiries

On 19 June 2024, the Company disclosed the Resolution Announcement of the 2023 Annual General Meeting, 2024 First A-Share Class Meeting, and 2024 First H-Share Class Meeting of China Aluminum International Engineering Corporation Limited, at which it considered and approved the 2023 Restricted Share Incentive Scheme (Revised Draft) of China Aluminum International Engineering Corporation Limited and its summary, Administrative Measures for the 2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited, Performance Assessment Measures for the 2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited and Proposal to Authorise the Board to Handle Matters Related to the 2023 Restricted Share Incentive Scheme of the Company.

Lin 2024-026

On 19 June 2024, the Company disclosed the Self-Inspection Report on Trading of Shares of the Company by Insiders and Grantees Under the 2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited, confirming that no insider trading or improper benefit-seeking had occurred in relation to the Incentive Scheme.

Lin 2024-028

On 19 June 2024, the Company disclosed the Announcement of China Aluminum International Engineering Corporation Limited Regarding the Initial Grant of Restricted Shares Under the 2023 Restricted Share Incentive Scheme. The initial grant date of the restricted shares of the Company was 18 June 2024, with 27,158,300 restricted shares granted to 240 eligible grantees at a grant price of RMB2.37 per share.

Lin 2024-030

On 30 July 2024, the Company disclosed the Announcement of China Aluminum International Engineering Corporation Limited on Completion of Registration for the 2023 Restricted Share Incentive Scheme Grant. During the capital verification process following the initial grant date, one grantee voluntarily relinquished part of the allotted restricted shares, and three grantees were no longer eligible due to role changes. Consequently, the actual number of grantees was adjusted to 237, with a total of 26,769,600 restricted shares granted.

Lin 2024-040



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

The summary and other details of the 2023 Restricted Share Incentive Scheme (the “Incentive Scheme”) of the Company are as follows:

Purpose of the Incentive Scheme

In order to further refine the corporate governance structure of the Company, improve the soundness of mid-and-long term incentive and restraint mechanism of the Company, realize the incentive and restraint on senior and middle management and core backbone personnel of the Company to integrate their interests more closely with the long-term development of the Company, achieve mutual risk-taking and interest-sharing, fully mobilize their enthusiasm and creativity to form a long-term behavior of decisionmakers and business operators, and improve the internal motivation force of the growth of the Company as well as cohesion and competitiveness of the Company to promote the sustainable and high quality development of the Company and realize the maximization of the value of the Company and the Shareholders, the Incentive Scheme is formulated on the basis of adequately safeguarding Shareholders’ interests, in accordance with the principle of equalization of benefits and contributions and in accordance with the provisions of the relevant laws, regulations and prescriptive documents such as the Company Law, the Securities Law, the Management Measures, Circular No. 175, Circular No. 171, Circular No. 102, Circular No. 178 and the HKEX Listing Rules, as well as those of the Articles of Association.

Total number of restricted shares available for issue under the Incentive Scheme and their percentage in the total shares issued as at the date of this annual report

The number of restricted shares to be granted under the Incentive Scheme is not more than 29,506,100 A shares, of which 27,506,100 A shares are to be initially granted and 2,000,000 A shares are reserved. During the Reporting Period, the Company in fact granted 26,769,600 A shares under the Incentive Scheme, and the number of restricted shares issued accounting for approximately 1.141% of the total A share capital and 0.988% of the total share capital of the Company as of the date of this annual report.

Cap of restricted shares available for grant to each participant in the Incentive Scheme

The cumulative number of restricted shares granted to any individual Participant under the Incentive Scheme through all share incentive schemes within the Validity Period will not exceed 1% of the total issued share capital of the Company, nor would it exceed 1% of the total number of ordinary A Shares. As for the Directors and general managers of the Company and its subsidiaries and the supervisors of the subsidiaries who are Participants, and any associates of the foregoing, the ordinary A Shares of the Company issued and to be issued in respect of the interests granted to such persons through all share incentive schemes in force do not exceed, in aggregate, 0.1% of the total number of ordinary A Shares of the Company in issue during the 12 months ending on the date on which such persons receive the grant.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

The period within which the option may be exercised by the grantee under the Incentive Scheme

No option which may be exercised was granted under the Incentive Scheme.

Vesting period and lock-up period of restricted shares granted under the Incentive Scheme

The restricted shares granted under the Incentive Scheme do not have any vesting period per as they were all vested with the participants at the same time as they were granted. The restricted shares have lock-up period. The Restricted Shares granted under the Incentive Scheme will be unlocked in three batches, with each batch being subject to a Lock-up Period of 24 months, 36 months and 48 months respectively from the date of registration of the corresponding grant. During the Lock-up Period, the Restricted Shares granted to the Participants under the Incentive Scheme are restricted from sale, and cannot be transferred, used as security or for repaying debts.

Amount (if any) payable for the acceptance of restricted shares and the term for payment or notification of payment

The amount payable for the acceptance of restricted shares is the grant price multiplied by the number of restricted shares granted. As of 31 December 2024, the total grant price was RMB63,443,952. The incentive participants of the restricted shares of the first grant remitted the payment into the Company's fund-raising special account before the payment deadline (restricted shares to be granted to participants within 60 days after the Incentive Scheme being considered and approved at the shareholders' general meeting and the class meetings as stipulated in the Articles of Association of the Company).

Basis of determining the grant price

The pricing benchmark date of the Grant Price of the Restricted Shares under the first grant is the date of publication of the draft of the Incentive Scheme. The Grant Price shall not be less than the nominal value of the Shares and shall not be less than the higher of the following prices: (1) 50% of the average trading price of the Company's Shares on the trading day prior to the announcement of the Incentive Scheme, which is RMB2.35 per Share; (2) 50% of the average trading price of the Company's Shares for 20 trading days prior to the announcement of the Incentive Scheme.

Prior to each grant of the reserved Restricted Shares, a Board meeting shall be convened to consider and approve the relevant proposal and the circumstance of the grant shall be disclosed. The Grant Price shall not be less than the nominal value of the Shares and shall not be less than the higher of the following prices: (1) 50% of the average trading price of the Shares of the Company on the trading day preceding the date of the announcement of the Board resolution on the reserved grant of the Restricted Shares; (2) 50% of the average trading price of the Company's Shares for 20 trading days, 60 trading days or 120 trading days preceding the date of the announcement of the Board resolution on the reserved grant of the Restricted Shares.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

The remaining life of the Incentive Scheme

The Validity Period of the Incentive Scheme shall commence from the date of completion of registration of the first grant of the Restricted Shares to the date when all the Restricted Shares which have been granted to the Participants are unlocked or repurchased, and shall not exceed 72 months in any event. The Company completed the registration of the first grant of part of Restricted Shares under the 2023 Restricted Share Incentive Scheme of the Company with the Shanghai Branch of the CSDCC on 26 July 2024. Thus, the validity of the Incentive Scheme is from 26 July 2024 (date of completion of registration of the grant of restricted shares) until 26 July 2028 (the day when all the restricted shares are unlocked).

Agreement on the granting of restricted shares

The Company signed the “Grant of Restricted Shares Agreement” with the Participants in order to determine their respective rights and obligations relationships, including the amount and period of time for which the Participants are to pay the Share purchase price;

Other details of the Restricted Shares granted by the Company under Incentive Scheme as at the end of the Reporting Period are set out below:

Name/Description of category of Grantee	Position(s)	Number of the Restricted Shares granted (0,000 shares)	Grant date (Note 3)	Grant price (RMB/share) (Note 4)	Proportion of the total share capital of the Company as at the date of adoption of the Incentive Scheme (%) (Note 5)
LI Yihua	Chairman and executive director	26.74	18 June 2024	2.37	0.01
LIU Jing	Executive director and general manager	26.74	18 June 2024	2.37	0.01
LIU Dongjun	Executive director	20.06	18 June 2024	2.37	0.01
ZHAO Hongmei	Executive director and chief financial officer	20.06	18 June 2024	2.37	0.01
Other senior management (4 persons)		77.25	18 June 2024	2.37	0.03
Other management personnel and core technical (business) backbone personnel (229 persons)		2,506.11	18 June 2024	2.37	0.85
Total First Grant		2,676.96	18 June 2024	2.37	0.90
Reserved Grant		200	– (Note 6)	2.37	0.07
Total (237 persons)		2,876.96	– (Note 6)	– (Note 6)	



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

Notes:

1. Some figures shown as totals herein may not be an arithmetic aggregation of the figures preceding them due to rounding adjustments.
2. Save as disclosed in the table above, none of the Participants are directors, chief executives or substantial shareholders of the Company, or any of their respective associates, nor are any of the Participants service providers to the Company. The number of Restricted Shares granted to any one Participant under the Incentive Scheme through all of the share incentive schemes in effect does not exceed, in the aggregate, 1% of the Company's total share capital or 1% of the total number of ordinary A shares.
3. The Validity Period of the 2023 Restricted Share Incentive Scheme shall commence from the date of completion of registration of the first grant of the Restricted Shares to the date when all the Restricted Shares which have been granted to the Participants are unlocked or repurchased, and shall not exceed 72 months in any event. The unlocking schedule arrangements of the Restricted Shares under the first grant and the reserved grant of the 2023 Restricted Share Incentive Scheme are set out in Restricted Share Incentive Plan of "Overview of Share-based Payment" in section XII Financial Report of this annual report.

The unlocking of the Restricted Shares under the first grant and the reserved grant of the 2023 Restricted Share Incentive Scheme is subject to performance appraisal requirements at the Company's level and performance appraisal requirements at the individual level. The performance appraisal at the Company's level includes the cash return on net assets (EOE), the compound growth rate of net profit attributable to shareholders of the parent company and the economic value-added increment (ΔEVA). The performance appraisal requirements at the individual level shall be conducted in accordance with the Appraisal Management Measures for the Implementation of the 2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited and shall be decided by the Board. Please refer to the circular of the Company dated 17 May 2024 and the announcement of the Company dated 18 June 2024 for details of the status of the unlocking arrangement for the Restricted Shares and the performance appraisal requirements.

During the reporting period, the Restricted Shares granted under the Restricted Share Incentive Scheme remained in the Lock-up Period. As disclosed in the announcement of the Company dated 18 June 2024 in relation to the first grant of Restricted Shares to Participants under the 2023 Restricted Share Incentive Scheme and the announcement of the Company dated 29 July 2024 in relation to the completion of registration of the grant under the 2023 Restricted Share Incentive Scheme, two participants are no longer included in the scope of participants due to job change, voluntary waiver of subscription, etc. for a total of 347,800 shares, and the grant of such Restricted Shares was cancelled, and one Participant voluntarily waived part of the Restricted Shares to be granted, and no further grants were made to three Participants due to their change of work positions and failure to satisfy the conditions of the grant. Apart from that, as at the end of the Reporting Period, no other Restricted Shares have been cancelled or lapsed. The Company completed the registration of the first grant of part of Restricted Shares under the 2023 Restricted Share Incentive Scheme of the Company with the Shanghai Branch of the CSDCC on 26 July 2024.

4. The fair value of the Restricted Shares shall be determined according to the market price on the Grant Date and the subscription price paid by the Participant. The closing prices of the Company's A shares on the Grant Date (i.e. 18 June 2024) and the date immediately preceding the Grant Date of Restricted Shares (i.e. 17 June 2024) were RMB4.37 and RMB4.32 respectively.
5. As at the date of approval of the Restricted Share Incentive Scheme at the general meeting (i.e. 18 June 2024), the total number of issued shares of the Company was 2,959,066,667.
6. Participants under the reserved grant will be determined within 12 months after the Incentive Scheme has been considered and approved by the shareholders' general meeting and the Class Meetings as stipulated in the Company's Articles of Association then in effect (where applicable). The basis for determining the reserved Participants is determined with reference to the basis for the first grant, and the interests of the reserved grant will not be re-granted to Participants who have received the first grant. Prior to each grant of the reserved Restricted Shares, a Board meeting shall be convened to consider and approve the relevant proposal and the circumstance of the grant shall be disclosed. The Grant Price shall not be less than the nominal value of the Shares and shall not be less than the higher of the following prices: (1) 50% of the average trading price of the Shares of the Company on the trading day preceding the date of the announcement of the Board resolution on the reserved grant of the Restricted Shares; (2) 50% of the average trading price of the Company's Shares for 20 trading days, 60 trading days or 120 trading days preceding the date of the announcement of the Board resolution on the reserved grant of the Restricted Shares.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(II) Relevant incentives are not disclosed in temporary announcements or there is subsequent progress

Equity incentives

☐ Applicable ☒ Not applicable

Other explanation

☐ Applicable ☒ Not applicable

Employee stock ownership plans

☐ Applicable ☒ Not applicable

Other incentives

☐ Applicable ☒ Not applicable



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(III) Equity incentives granted to directors and senior management during the Reporting Period

1. Share Options

☐ Applicable ☒ Not applicable

2. Restricted Shares

☒ Applicable ☐ Not applicable

Unit: Shares

Name	Position	Number of restricted shares held at the beginning of the year	Number of new restricted shares granted during the reporting period	Grant price of restricted shares Yuan	Unlocked shares	Shares not yet unlocked	Number of restricted shares held at the end of the period	Market price at the end of the reporting period (RMB)
LI Yihua	Chairman, Executive Director	0	26.74	2.37	0	26.74	26.74	4.41
LIU Jing	Executive Director, General Manager	0	26.74	2.37	0	26.74	26.74	4.41
LIU Ruiping	Deputy General Manager	0	22.73	2.37	0	22.73	22.73	4.41
LIU Dongjun	Executive Director	0	20.06	2.37	0	20.06	20.06	4.41
ZHAO Hongmei	Executive Director, Chief Financial Officer	0	20.06	2.37	0	20.06	20.06	4.41
ZHOU Dongfang	Deputy General Manager	0	20.06	2.37	0	20.06	20.06	4.41
TAO Fulun	Secretary to the Board	0	18.39	2.37	0	18.39	18.39	4.41
BAI Jie	General Counsel	0	16.07	2.37	0	16.07	16.07	4.41
Total	/	0	170.85	/	0	170.85	170.85	/

(IV) Establishment and execution of assessment mechanism and incentive mechanism for senior management during the Reporting Period

☒ Applicable ☐ Not applicable

Based on the market level and the Company's remuneration strategy, the Company put forward the compensation package for senior management, subject to the approval of Remuneration Committee and then to the approval of the Board. The human resources department finalized KPI and remuneration of senior management based on the Company's operating performance and the performance of senior management for the year.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

XVII. INTERNAL CONTROL SYSTEM BUILDING AND PERFORMANCE WITHIN THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

In 2024, the Company implemented the mechanism of simultaneous planning, construction and updating of internal control construction and system processes, updated and released the Internal Control Management Manual, and improved the construction of the Company's internal control system; and organized and carried out self-inspection of the construction of the internal control system of its affiliated enterprises.

For details of the Company's internal control assessment report, please refer to the 2024 Internal Control Assessment Report of China Aluminum International Engineering Corporation Limited as approved at the 26th meeting of the fourth session of the Board and published on the website of the SSE.

Explanation on material deficiencies in internal control during the Reporting Period

☐ Applicable ☒ Not applicable

XVIII. CONTROL ON SUBSIDIARIES WITHIN THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

Chalieco has continued to improve its corporate governance system and strengthened the standardized construction of the board of directors of its subsidiaries in multiple dimensions. Firstly, we have established an institutional guarantee system, studied, formulated and officially issued two core systems, namely the Measures for the Administration of Board of Directors of Subsidiaries and the Measures for the Administration of Directors and Supervisors of Despatched Subsidiaries, and established a complete governance structure, which is "based on the Articles of Association of the Company, with the Rules of Procedure of the Three Meetings as the framework and the business management system as the support". Secondly, the Company has established a closed-loop management mechanism, formulated implementation rules for the evaluation of the operation of the Board of Directors, and formed a full-process management system encompassing "system formulation, implementation supervision and assessment and evaluation". Thirdly, to strengthen the penetration of the system implementation, synchronized with the launch of a special communication and training program, through the "system interpretation+ practical training+ on-site supervision" trinity mode of promotion, effectively safeguard the precise landing of the governance mechanism in the basic level enterprises. Meanwhile, in order to create more reform and innovation models and pioneers at the basic level, the company supports the reform of "science reform enterprises" with differentiated and precise policies, implements the negative management list of "science reform enterprises", promotes precise authorization and decentralization, and encourages "science reform enterprises" to reform and innovate, so as to improve their core competitiveness.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

XIX. PARTICULARS OF INTERNAL CONTROL AUDIT REPORT

☒ Applicable ☐ Not applicable

Our auditor Grant Thornton (Special General Partnership) confirmed that the Company has maintained effective internal control over financial reporting in all material aspects. For details, refer to the 2024 Annual Audit Report on Internal Control of China Aluminum International Engineering Corporation Limited disclosed on the website of the SSE (www.sse.com.cn) on the same day as this Annual Report.

Whether the internal control audit report is disclosed: Yes

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

XX. LISTED COMPANY'S GOVERNANCE SELF-CHECK AND RECTIFICATION

There are no matters that could materially adversely affect the interests of investors. The Company will further consolidate its corporate governance achievements, enhance governance standards, and foster sustainable, healthy, and high-quality development.

XXI. OTHERS

☒ Applicable ☐ Not applicable

(I) Compliance with the Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix C3 to the HKEX Listing Rules as the code of conduct for dealings in the securities of the Company by all of our Directors and Supervisors. Having made specific enquiries with the Directors and Supervisors, all Directors and Supervisors have confirmed that they have strictly complied with the standards stipulated in the Model Code during the Reporting Period. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the HKEX Listing Rules) in the Company's securities, which are on no less exacting terms than the Model Code. The Company is not aware of any breach of the guidelines by its relevant employees.

The Board of Directors examines the corporate governance practices and operation of the Company from time to time so as to ensure the compliance with relevant requirements under the HKEX Listing Rules and to safeguard Shareholders' interests.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(II) Amendment of the Articles of Association during the Reporting Period

The Company has continued to improve the governance system centered on the Articles of Association. In 2024, the Company made amendments to the relevant provisions of the Articles of Association in accordance with the new regulatory policies and provisions issued by the CSRC, the SSE and the Stock Exchange, taking into account our practice in the daily operation of corporate governance. For details, please refer to the relevant announcements issued by the Company on the websites of the SSE and HKEX.

(III) Company secretaries

During the Reporting Period, Ms. ZHAO Hongmei has resigned as the company secretary due to job reallocation on 28 March 2024. The Board of the Company has appointed Mr. TAO Fulun and Ms. Ng Ka Man as the joint company secretaries. For details, please refer to the announcement on the Change of Secretary to the Board, Company Secretary and Authorised Representative of the Company dated 28 March 2024 on the website of the Stock Exchange.

In order to comply with Rule 3.29 of the HKEX Listing Rules, as of 31 December 2024, Mr. TAO Fulun and Ms. Ng Ka Man, the joint company secretaries, participated in no less than 15 hours of relevant professional training for the year ended 31 December 2023.

(IV) Directors' responsibility for the financial statements

The Board of Directors acknowledged its responsibility for preparing the financial statements of the Group for the year ended 31 December 2024. The Board of Directors is responsible for presenting a clear and understandable assessment of annual and interim reports, price-sensitive information and other disclosures as required under the HKEX Listing Rules and other regulatory requirements. The management has provided the Board with such necessary explanation and information to enable the Board to make an informed assessment of the financial information and position of the Group for the consideration and approval by the Board.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to operate as a going concern.

In addition, appropriate insurance coverage has been arranged by the Company against possible legal proceedings and liabilities to be taken against the directors.

(V) Dividend policy of the Company

For details, please refer to "XV. Proposal for Profit Distribution or for Converting Capital Reserve into Share Capital" under "Section V Corporate Governance (Corporate Governance Report)" of this report.



SECTION V CORPORATE GOVERNANCE (CORPORATE GOVERNANCE REPORT)

(VI) Board independence evaluation mechanism

Pursuant to code provision B.1.4 of the Corporate Governance Code in Appendix C1 of the HKEX Listing Rules, the Board should establish mechanism(s) to ensure independent views and input are available to the Board.

The Board has adopted the board independence evaluation mechanism (the “Mechanism”) which sets out the principles and guidelines for the Company to ensure independent view and input are available to the Board.

Through the independent evaluation of the Board, the processes and procedures of the Company’s Board and its committees are continually improved and developed, providing a robust and useful feedback mechanism to enhance the Board’s effectiveness, maximise its strengths and identify areas for improvement or further development. The evaluation process also identifies actions that the Company needs to take to maintain and improve the performance of the Board, such as addressing the individual training and development needs of each director.

The purpose of the Mechanism is to ensure that the Board of the Company has a strong element of independence to enable the Board to exercise independent judgment effectively to better protect the interests of shareholders.



SECTION VI REPORT OF THE BOARD OF SUPERVISORS

In accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Articles of Association of China Aluminum International Engineering Corporation Limited (hereinafter referred to as the "Articles of Association") and other relevant regulations, the Board of Supervisors of China Aluminum International Engineering Corporation Limited (hereinafter referred to as the "Company") faithfully performed its supervisory duties in the spirit of being responsible to all shareholders, actively and effectively carried out its work, and strived to safeguard the legitimate rights and interests of the Company and its shareholders.

I. COMPOSITION OF THE BOARD OF SUPERVISORS

As of 28 January 2024, the fourth session of the Board of Supervisors of the Company comprises three Supervisors, namely Mr. FAN Guangsheng, the chairman of the Board of Supervisors, Mr. HE Wenjian, a Supervisor, and Ms. LIN Ni, a Supervisor.

Mr. FAN Guangsheng resigned as the chairman of the Board of Supervisors and employee representative supervisor of the Company on 29 January 2024 due to job transfer. The Company held the third meeting of the third session of the Workers' Congress and the 13th meeting of the fourth session of the Board of Supervisors on the same day, at which Ms. Xiao Hongmei was elected as an employee representative Supervisor of the fourth session of the Board of Supervisors of the Company and Ms. LIN Ni was elected as the chairman of the fourth session of the Board of Supervisors of the Company, respectively. Since 29 January 2024 and up to the date of issuance of this report, the three Supervisors of the fourth session of the Board of Supervisors of the Company are Ms. LIN Ni, the chairman of the Board of Supervisors, Mr. HE Wenjian, a Supervisor, and Ms. Xiao Hongmei, a Supervisor.

II. MAJOR WORK OF THE BOARD OF SUPERVISORS

In 2024, the Board of Supervisors of the Company conscientiously supervised (among others) the legality of the Company's operation, finance and the performance of duties by the Directors and senior management of the Company in accordance with (among others) the provisions of the Articles of Association and the Rules of Procedure of the Board of Supervisors of China Aluminum International Engineering Corporation Limited, and had no objection to matters subject to supervision during the Reporting Period.



SECTION VI REPORT OF THE BOARD OF SUPERVISORS

During the Reporting Period, the Board of Supervisors of the Company held eight meetings in total, at which 18 resolutions were considered. Details are as follows:

Name of Meeting	Time of convening	Proposals considered
Twelfth meeting of the fourth session of the Board of Supervisors	28 January 2024	Proposal on the Company's Provision for Asset Impairment in 2023
Thirtieth meeting of the fourth session of the Board of Supervisors	29 January 2024	Proposal on the election of the chairman of the fourth session of the Board of Supervisors of the Company
Fourteenth meeting of the fourth session of the Board of Supervisors	28 March 2024	Proposal on the 2023 Annual Results Announcement and Annual Report of the Company Proposal on the 2023 Final Financial Report of the Company Proposal on the 2024 Business Plan Report of the Company Proposal on the 2023 Profit Distribution Plan of the Company Proposal on the "2023 Environmental, Social and Governance Report of China Aluminum International Engineering Corporation Limited" Proposal on the "2023 Internal Control Evaluation Report of China Aluminum International Engineering Corporation Limited" Proposal on the change of accounting policies in accordance with "Interpretation No. 16 of Accounting Standards for Business Enterprises" Proposal on the "2023 Working Report of the Board of Supervisors of China Aluminum International Engineering Corporation Limited"



SECTION VI REPORT OF THE BOARD OF SUPERVISORS

Name of Meeting	Time of convening	Proposals considered
Fifteenth meeting of the fourth session of the Board of Supervisors	18 April 2024	Proposal on the 2024 First Quarterly Report of the Company Proposal on the 2023 Restricted Share Incentive Scheme (Revised Draft) of China Aluminum International Engineering Corporation Limited and the summary thereof
Sixtieth meeting of the fourth session of the Board of Supervisors	11 June 2024	Proposal on verifying the "List of Participants of the 2023 Restricted Share Incentive Plan of China Aluminum International Engineering Corporation Limited"
Seventeenth meeting of the fourth session of the Board of Supervisors	18 June 2024	Proposal on adjustment of certain matters of the 2023 restricted share incentive scheme of the Company Proposal on verifying the "List of Participants of the First Grant of the 2023 Restricted Share Incentive Plan of China Aluminum International Engineering Corporation Limited"
Eighteenth meeting of the fourth session of the Board of Supervisors	26 August 2024	Proposal on the first grant of restricted shares to participants of the Company's 2023 restricted share incentive scheme Proposal on the 2024 Interim Report of the Company
Nineteenth meeting of the fourth session of the Board of Supervisors	28 October 2024	Proposal on the 2024 Third Quarterly Report of the Company

By participating in important meetings of the Company, listening to the reports of the Company's management and effective deliberation of meeting proposals, the Board of Supervisors of the Company communicated with the Company's management smoothly, supervised the formulation and implementation of the Company's equity incentives schemes, supervised the compliance and rationality of major financial decisions such as profit distribution and provision for impairment, reviewed the authenticity, accuracy and completeness of regular reports, supervised risk management and internal control compliance of the Company, etc., and effectively safeguarded the legitimate rights and interests of the Company and shareholders, especially minority shareholders.



SECTION VI REPORT OF THE BOARD OF SUPERVISORS

III. PERFORMANCE OF DUTIES BY MEMBERS OF THE BOARD OF SUPERVISORS

In 2024, members of the Board of Supervisors of the Company faithfully and diligently performed their duties in strict accordance with regulatory requirements and the relevant provisions of the Articles of Association. The Board of Supervisors attended or observed the general meetings, the Board of Directors and the Board of Supervisors in accordance with regulations, of which the attendance rate of the Board of Supervisors was 100%. The members of the Board of Supervisors gave full play to their professional expertise and experience in economics, auditing, accounting, management and other fields, earnestly performed their duties, took active actions, put forward many constructive opinions and suggestions on the high-quality development of the Company, and played an important role in improving the corporate governance and supervision mechanism of the Board of Supervisors of the Company and improving the level of supervision and performance of duties.

IV. EXPRESS OF OPINIONS ON RELEVANT MATTERS BY THE BOARD OF SUPERVISORS

(1) Legal compliance of the Company's operations

The Board of Supervisors is of the view that the Board and the management of the Company were able to operate in strict compliance with the Company Law, the Articles of Association and the relevant laws and regulations of the places where the Company is listed, perform their duties in good faith, truthfully and with diligence, and earnestly implemented the resolutions and authorisations of the general meeting; the decision-making and various business activities were in compliance with the laws and regulations and the Articles of Association, and no violation of laws, regulations, violation of the Articles of Association and damage to the interests of the shareholders of the Company were found in the performance of their duties.

(2) Financial information of the Company

During the Reporting Period, the Board of Supervisors supervised and audited the financial position and operating results of the Company for 2024, and is of the view that the preparation of the financial statements of the Company was in compliance with the relevant provisions of the Accounting System for Business Enterprises and the Accounting Standards for Business Enterprises, and the financial reports gave a true, objective and accurate view of the financial position and operating results of the Company. Grant Thornton Certified Public Accountants LLP carried out audit works in accordance with the China Accounting Standards for Business Enterprises and issued a standard unqualified audit report; their audit opinions are fair and objective.



SECTION VI REPORT OF THE BOARD OF SUPERVISORS

(3) Verification of equity incentives of the Company

There is no circumstance in which the Company is prohibited by laws and regulations to implement the Restricted Share Incentive Scheme, and the contents, formulation and consideration procedures of the 2023 Restrictive Share Incentive Scheme of China Aluminum International Engineering Corporation Limited (Draft) comply with the provisions of relevant laws, regulations and regulatory documents and the Articles of Association. The subject qualifications of the participants of the Company's incentive schemes are legal and valid, and all conditions for the participants to be granted the interests have been met.

(4) Internal control of the Company

During the Reporting Period, the Board of Supervisors reviewed the 2024 Internal Control Evaluation Report of China Aluminum International Engineering Corporation Limited, and considered that the report fully, truthfully and objectively reflected the actual situation of the Company's internal control.

(5) Performance of social responsibilities by the Company

During the Reporting Period, the Company made outstanding contributions to environmental protection, employee care and rural revitalization. The Company actively participated in public welfare and charity, earnestly fulfilled its social responsibilities, and safeguarded the interests of shareholders, customers and employees.

(6) Others

During the Reporting Period, the Board of Supervisors reviewed and supervised the Company's provision for asset impairment, among others, and is of the view that the Company's decision-making procedures related to provision for asset impairment were in compliance with relevant laws and regulations and the Articles of Association, and there was no prejudice to the interests of the Company and Shareholders.



SECTION VII ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

I. ENVIRONMENTAL INFORMATION

Whether an environmental protection mechanism is in place	Yes
Funds invested in environmental protection during the Reporting Period (expressed in RMB'0,000)	3,175.17

(I) Environmental protection information of companies and their major subsidiaries on the watch list of key pollutant discharging entities published by the environmental protection authority

☐ Applicable ☒ Not applicable

(II) Explanation of environmental protection information of companies not on the watch list of key pollutant discharging entities

☒ Applicable ☐ Not applicable

1. Administrative punishments due to environmental problems

☐ Applicable ☒ Not applicable

2. Disclosure of other environmental information with reference to key pollutants discharging entities

☒ Applicable ☐ Not applicable

The Company attaches great importance to ecological environmental protection and pollution prevention, and during the reporting period, there were no environmental emergencies of general or above level, and no environmental violations and penalties. The Company actively advocates the concept of green development, and continuously strengthens the essential environmental protection of engineering projects in investigation and design; we strictly observe national laws and regulations on ecological environmental protection, and carry out environmental impact assessment according to the law; in accordance with national and local requirements for construction site environmental protection and pollution prevention, our construction sites conduct environmental impact factor identification and prepare environmental protection and green construction plans before the launch of the project. In the construction process, the Company strictly complies with the "Six 100%" of "On-site sealing management, hardening of site roads, covering of waste soil and residue materials, cleaning by sprinkling and sweeping, sealed transport of materials, cleaning of vehicles entering and leaving the site", and carries out strict control on sewage emission, exhaust gas emission, dust control, noise control and disposal of construction waste. Priority is given to the use of energy-saving and environmentally friendly new technologies, techniques, equipment and materials in the construction of the project, so as to minimize the impact of construction on the environment.



SECTION VII ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

3. Reason why other environmental information are not disclosed

☐ Applicable ☒ Not applicable

(III) Information conducive to ecological protection, pollution control, and environmental responsibilities fulfillment

☒ Applicable ☐ Not applicable

The Company adheres to the guidance of Xi Jinping Thought on Ecological Civilization, resolutely implements the spirit of the 20th National Congress of the Party and the 2023 National Conference on Ecological Environmental Protection, firmly establishes and practices the concept that “Lucid Waters and Lush Mountains are Invaluable Assets”, and strictly abides by national and local laws and regulations. During the reporting period, the Company entered into safety and environmental protection target responsibility letters with various enterprises and departments, and all employees have signed a safety and environmental protection “one position, two responsibilities” responsibility list to strengthen the environmental protection awareness of all employees and promote the performance of environmental protection duties by all employees. The Group continues to promote environmental protection work, strictly follows the relevant requirements of relevant ecological and environmental laws and regulations, discharges various pollutants in accordance with the law, strengthens ecological and environmental protection work on the first line of production, and conscientiously implements the subject responsibility of corporate environmental protection; our environmental protection expenditures follow the principle of “prevention first, combination of prevention and control and comprehensive management”, and to invest as much as possible to meet the needs of continuous improvement of the environment; we actively carry out communication activities for “5th June Environment Day” and “15th August Ecological Environment Day”, deeply integrate the spirit of the 20th National Congress of the Communist Party of China, the 2023 National Ecological and Environmental Protection Conference and the Xi Jinping Thought on Ecological Civilization with the Company’s production and operation, continue to promote the research, development, promotion and application of environmental protection and energy-saving technologies, and promote the orderly and healthy development of the Company’s environmental protection and pollution control work.

The Company actively fulfilled its responsibility for ecological and environmental protection, released the 2023 Environmental, Social and Corporate Governance Report summarizing the Company’s commitments and practical achievements in the field of ESG over the past year; and participated in the 2024 National Non-ferrous Metals Eco-Environmental Protection Conference and Energy Saving, Pollution Reduction and Carbon Reduction Workshop and the Eighth Carbon Reduction Festival of Chinalco Group, so as to promote the Company’s green and low-carbon development and ecological and environmental protection work.



SECTION VII ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

(IV) Measures to reduce carbon emissions during the Reporting Period and their effects

Whether carbon reduction measures have been taken or not	Yes
Reduction in CO ₂ equivalent emissions (unit: tonnes)	/
Types of carbon reduction measures (e.g. use of clean energy for electricity generation, use of carbon reduction technologies in the production process, development and production of new products that contribute to carbon reduction, etc.)	Developing new products that could help reduce carbon emissions

Specific description

☒ Applicable ☐ Not applicable

Guided by Xi Jinping Thought on Ecological Civilization, Chalieco has actively responded to the call of the national “3060” policy and firmly followed the path of green and low-carbon development, regarding tackling climate change, energy management, “three wastes” emissions, research and development of environmental protection technologies, and protection of biological populations as the main directions of low-carbon development, and has formulated and improved the environmental protection management system, increased the implementation of energy-saving measures, effectively enhanced the efficiency of energy use, carried out various environmental protection communication and special training activities, actively participated in ecological and environmental protection public welfare practices, and adhered to the path of green, low-carbon and sustainable development.

Chalieco actively promotes the work related to emission reduction and carbon reduction in engineering and technical services and production, accelerates the construction of a green technology innovation system, creates a system for green technology research and development, application promotion and industrial development, strives to overcome low-carbon technical difficulties, researches and develops key and core green technologies, accelerates the innovation and popularisation of energy-saving and carbon reduction technologies, relying on our technological advantages of the whole industrial chain, the Company is committed to integrating the concept of green development into the whole process of design and construction, adopting new technology, new equipment and new technology from the source of design, continuously optimizing the design scheme, realizing energy saving and emission reduction in essence, and providing users with cleaner, more efficient and greener solutions; adhering to the concept of green construction, we are committed to the construction of the “green projects”, and assisting in-depth carbon reduction with the achievements of science and technology, and promoting green and high-quality development in the non-ferrous industry.



SECTION VII ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

II. SOCIAL RESPONSIBILITIES FULFILLMENT

(I) Whether a separate social responsibility report, sustainability report or ESG report is disclosed

☒ Applicable ☐ Not applicable

For details of the Company's work in fulfilling its social responsibilities, please refer to the "2024 Annual Environmental, Social and Governance Report of China Aluminum International Engineering Corporation Limited" disclosed on the website of the SSE (<http://www.sse.com.cn>) and the website of the Stock Exchange (www.hkexnews.hk).

(II) Specific information on social responsibility work

☒ Applicable ☐ Not applicable

External donations and public welfare projects

	Quantity/content	Description
Total input (RMB'0,000)	1.62	Conducted Spring Festival visits and donations in the targeted villages.
Including: Funds (RMB'0,000)	0	
Cash converted from materials (RMB'0,000)	1.62	Carried out Spring Festival visits and condolences in the targeted village, with condolences of RMB12,800; donated materials converted amounted to approximately RMB3,400.
Number of beneficiaries (persons)	394	

Specific description

☐ Applicable ☒ Not applicable



SECTION VII ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

III. ACHIEVEMENT OF OUR ENHANCED AND EXPANDED POVERTY ALLEVIATION AND RURAL REVITALIZATION EFFORTS

☒ Applicable ☐ Not applicable

Poverty alleviation and rural revitalization projects

Quantity/content

Description

Total input (RMB'0,000) 340.25
Including: Funds (RMB'0,000) 339.25

Direct purchases of agricultural products from the areas to be assisted, totaled RMB3,311,500; direct investment in industrial support, culture and education, infrastructure renovation and visits and condolences totaled RMB81,000.

Cash converted from 1
materials (RMB'0,000)
Number of beneficiaries 21,000
(persons)

RMB10,000 was invested in support materials.

Forms of assistance Poverty alleviation through
(such as industry- industry, employment,
wide, employment and education and
education, etc.) consumption

Specific description

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

I. PERFORMANCE OF COMMITMENTS

(I) Commitments of the Company and its de facto controller, shareholders, related parties, acquirers that were made in or continued into the reporting period

✓ Applicable ☐ Not applicable

Background of commitment	Type of commitment	The party making commitment	Content of commitment	Time of commitment	Whether there is a validity for performance	Period of commitment	Strictly performed in a timely manner or not	Specify the reason for failure to perform in time	Specify the next step plan in case of failure to perform in time
Commitments related to Miyu Major Asset Restructuring	Restricted shares	Directors, supervisors and senior management of the listed company, Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Shareholding reduction plan	During the period from the date of the initial disclosure of the Restructuring to the completion of its implementation	Yes	Yes	N/A	N/A	Restricted shares
	Others	Directors and senior management of the listed company, Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Measures to make up for diluted return for the current period	Long term	Yes Yes	Yes Yes	N/A	N/A	Others
	Others	Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Maintaining the independence of the listed company	Long term	Yes Yes	Yes Yes	N/A	N/A	Others
	Resolving related transactions	Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Reducing and regulating related transactions	Long term	Yes Yes	Yes Yes	N/A	N/A	Resolving related transactions
	Resolving competition among peers	Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Avoiding the competition of peers	Long term	Yes Yes	Yes Yes	N/A	N/A	Resolving competition of peers



SECTION VIII KEY MATTERS

Background of commitment	Type of commitment	The party making commitment	Content of commitment	Time of commitment	Whether there is a validity for performance	Period of commitment	Strictly performed in a timely manner or not	Specify the reason for failure to perform in time	Specify the next step plan in case of failure to perform in time
IPO related commitments	Restricted shares	Chinalco	Chinalco Commitment on shares lockup and intention to reduce shareholdings	Within 3 years from the date of listing of A shares and within 2 years after the expiration of the lock-up period	Yes Yes	Yes Yes	N/A	N/A	Restricted shares
	Restricted shares	Luoyang Institute	Commitment on shares lockup and intention to reduce shareholdings	Within 3 years from the date of listing of A shares and within 2 years after the expiration of the lock-up period	Yes Yes	Yes Yes	N/A	N/A	Restricted shares
	Others	Chinalco, the Company, the Company's non-independent directors and senior management	Share price stabilization plan	Within 3 years from the date of listing of A shares	Yes Yes	Yes Yes	N/A	N/A	Others
	Others	Directors and senior management of the Company	Making up for diluted return for the current period	Long term	Yes Yes	Yes Yes	N/A	N/A	Others
	Resolving competition among peers	Chinalco	Peer competition	Long term	Yes Yes	Yes Yes	N/A	N/A	Resolving competition among peers
	Resolving related transactions	Chinalco	Related transaction	Long term	Yes Yes	Yes Yes	N/A	N/A	Resolving related transactions
	Resolving related transactions	Chinalco Finance	Credit facility service provided by related party	Long term	Yes Yes	Yes Yes	N/A	N/A	Resolving related transactions
	Others	Directors, supervisors and senior management of the Company	Qualifications	Long term	Yes Yes	Yes Yes	N/A	N/A	Others
	Others	Chinalco	Land title defect	Long term	Yes Yes	Yes Yes	N/A	N/A	Others
	Others	The Company	Housing related business	Long term	Yes Yes	Yes Yes	N/A	N/A	Others
	Others	Chinalco, the Company, the Company's directors, supervisors and senior management, sponsors, accountants, lawyers	Commitment that there are no false records, misleading statements or material omissions in the Prospectus	Long term	Yes Yes	Yes Yes	N/A	N/A	Others



SECTION VIII KEY MATTERS

(II) If any profit forecast exists for an asset or project of the Company, and the Reporting Period falls into the forecast period, the Company should specify whether the asset or project meets the profit forecast and provide reasons

☐ Achieved ☐ Not yet achieved ☒ Not applicable

(III) Realization of guaranteed performance and its impact on goodwill impairment test

☐ Applicable ☒ Not applicable

II. FUNDS OCCUPIED BY THE CONTROLLING SHAREHOLDER OR ITS RELATED PARTIES FOR NON-OPERATING PURPOSE DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

III. GUARANTEES IN VIOLATION OF REQUIRED PROCEDURES

☐ Applicable ☒ Not applicable

IV. EXPLANATION OF THE BOARD OF DIRECTORS ON ISSUANCE OF A “NON-STANDARD AUDITING REPORT” BY THE AUDITOR

☐ Applicable ☒ Not applicable

V. ANALYSIS OF REASONS OF CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR CORRECTION TO SIGNIFICANT ACCOUNTING ERRORS AND THEIR IMPACT

(I) Analysis of reasons and impact of changes in accounting policies and accounting estimates of the Company

☐ Applicable ☒ Not applicable

(II) Analysis of reasons for correction to significant accounting errors and its impact

☐ Applicable ☒ Not applicable

(III) Communication with the former auditor

☐ Applicable ☒ Not applicable

(IV) Approval process and other descriptions

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

VI. APPOINTMENT AND REMOVAL OF AUDITOR

(Expressed in RMB)

Current appointment

Name of domestic auditor	Grant Thornton (Special General Partnership)
Remuneration of domestic auditor	4,500,000
Years of service of domestic auditor	2 years
Name of certified public accountants of domestic auditor	HUANG Zhibin, LI Yang
Continued term of service of certified public accountants of domestic auditor	HUANG Zhibin (2 years), LI Yang (2 years)
Name of overseas auditor	/
Remuneration of overseas auditor	/
Years of service of overseas auditor	/

	Name	Remuneration
Internal control auditor	Grant Thornton (Special General Partnership)	600,000
Financial advisor	/	/
Sponsor	/	/

Explanation of appointment and removal of the auditor

☒ Applicable ☐ Not applicable

Upon consideration and approval at the 19th meeting of the fourth session of the Board on 28 March 2024 and the 2023 Annual General Meeting on 18 June 2024, the Company has re-appointed Grant Thornton (Special General Partnership) as the auditor for the year 2024 for a term until the conclusion of the Annual General Meeting of 2024.

Explanation on change in the auditor during the auditing period

☐ Applicable ☒ Not applicable

Description of any reduction in audit fees by 20% or above over the previous year

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

Change of auditor in the preceding three years

There has been a change in domestic and overseas auditor of the Company for the year 2023 as the terms of audit services provided by Daxin Certified Public Accountants (Special General Partnership), the Company's former domestic and overseas auditor has reached the stipulated longest consecutive audit period. The Company engaged Grant Thornton (Special General Partnership) as the domestic and overseas auditors of the Company upon approval of the Company's 2022 annual general meeting.

For details, please refer to the announcement of the Company dated 26 May 2023 and the circular of the Company dated 12 June 2023.

VII. POTENTIAL RISK OF SUSPENSION OF LISTING

(I) Reasons for the suspension of listing

☐ Applicable ☒ Not applicable

(II) Proposed countermeasures of the Company

☐ Applicable ☒ Not applicable

(III) Circumstance in which the Company faces de-listing and reasons

☐ Applicable ☒ Not applicable

VIII. BANKRUPTCY AND REORGANIZATION RELATED ISSUES

☐ Applicable ☒ Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION

☒ The Company was involved in any material litigation or arbitration during the year ☐ Company was not involved in any material litigation or arbitration during the year

(I) Litigation and arbitration disclosed in provisional announcements and without subsequent development

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

(II) Particulars of litigation and arbitration events not disclosed in temporary announcements or with subsequent development

✓ Applicable □ Not applicable

Expressed in RMB'0,000

During the Reporting Period:

Plaintiff (Applicant)	Defendant (Respondent)	Party with several and joint liability	Litigation or arbitration	Basic information of litigation (arbitration)	Amount involved in the litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof	Enforcement of judgment of litigation (arbitration)
Palm Ecological Town Development Joint Stock Co., Ltd. (棕欄生態城鎮 發展股份有限 公司)	Xihua County Yuzi Investment Development Co., Ltd. (西華 縣豫資投資發展有限責任 公司), Xihua County Yuzi Zongye Construction Management Co., Ltd. (西華縣豫資棕冶建設管理有 限公司), Sixth Metallurgical Construction Company of China Non-ferrous Metals Industry	Nil	Litigation	Disputes over the right of recovery	2,437.83	-	Case closed	Performance completed	The case is closed after completion of performance.
China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	Xi'an Integrated Urban and Rural Construction Investment and Development Joint Stock Co., Ltd. (西安市統籌城鄉建設投 資發展股份有限公司), Xixian Investment Joint Stock Co., Ltd. (西咸投資股份有限公司)	Nil	Litigation	Borrowing contract disputes	6,320.00	-	Case closed	Terminated and closed the case	The court has made a final decision.
Guizhou Huaren New Material Co., Ltd.	Guiyang Branch Company of China Aluminum International Engineering Corporation Limited	Nil	Arbitration	Construction project contract disputes	10,800.00	-	Case closed	Withdrawal of the request for arbitration	The request for arbitration was withdrawn and the case was closed.
Guiyang Branch Company of China Aluminum International Engineering Corporation Limited	Guizhou Huaren New Material Co., Ltd.	Nil	Arbitration	Construction project contract disputes	39,092.16	-	Case closed	Withdrawal of the request for arbitration	The request for arbitration was withdrawn and the case was closed.



SECTION VIII KEY MATTERS

During the Reporting Period:

Plaintiff (Applicant)	Defendant (Respondent)	Party with several and joint liability	Litigation or arbitration	Basic information of litigation (arbitration)	Amount involved in the litigation (arbitration)	Whether estimated liability arose from the litigation (arbitration) and amount	Current status of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof	Enforcement of judgment of litigation (arbitration)
Xincai County Development Investment Co., Ltd.	China Aluminum Construction and Development Company Limited, China Non-ferrous Metals Industry Sixth Metallurgical Construction Company Limited	Nil	Litigation	Construction project construction contract disputes	17,854.00	–	Trial of first instance	Outstanding	–
China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	Gui'an New District University Town Zhiyin Project Development Co., Ltd., Guizhou Guian Development Group Co., Ltd., Guizhou Guian Real Estate Investment Co., Ltd.	Nil	Litigation	Construction project construction contract disputes	15,900.34	–	Trial of first instance	Outstanding	–
Lu ZHENYU (陸振宇), ZHAO Hongxiong (趙宏雄), ZHU Wenli (朱文理),	Hainan Captain Real Estate Development Co., Ltd., Hainan Weide Investment Co. Ltd. (海南維德投資有限公司), China Aluminum Great Wall Construction Co., Ltd, Li Liming	Nil	Litigation	Construction project contract disputes	9,342.18	–	Trial of first instance	Outstanding	–
Fujian Kai Hao Labor Engineering Co., Ltd.	Jilin Zhongsheng Road and Bridge Engineering Co., Ltd., Yunnan Yongning Expressway Co., Ltd., Sixth Metallurgical Construction Company of China Non-ferrous Metals Industry, Yunnan Branch Company of Sixth Metallurgical Construction Company of China Non-ferrous Metals Industry	CHEN Li	Litigation	Construction project construction contract disputes	3,868.11	–	Trial of second instance	Outstanding	–

(III) Other explanation

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

X. PUNISHMENTS UPON THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER, BENEFICIAL OWNER AND RECTIFICATIONS

☐ Applicable ☒ Not applicable

XI. CREDIBILITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND BENEFICIAL OWNER DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

XII. SIGNIFICANT RELATED PARTY (CONNECTED) TRANSACTIONS

Significant related party (connected) transactions of the Group during the year ended 31 December 2024 are set out in “Note 10 RELATED PARTIES AND RELATED PARTY TRANSACTIONS” to the financial statements. Some of the above related party (connected) transactions constituted related party transactions under the SSE Listing Rules, and also constitute connected transactions as prescribed in Chapter 14A of the HKEX Listing Rules. The aforementioned related party transactions have complied with the requirements of the SSE Listing Rules and Chapter 14A under the HKEX Listing Rules. Particulars of them are as follow:

(I) Non-exempt continuing related party (connected) transactions

The Group conducted certain related party (connected) transactions during the year which also constituted non-exempt continuing connected transactions under Chapter 14A of the HKEX Listing Rules.



SECTION VIII KEY MATTERS

The annual caps and actual transaction amount of such continuing related party (connected) transactions for 2024 are set out in the following table:

Events of related party (connected) transactions	Related party (connected person)	2024 annual cap (RMB'000)	2024 annual actual transaction amount (RMB'000)
1. Provision of engineering services by the Group	Chinalco	9,000,000	6,620,595
2. Provision of commodities by the Group	Chinalco	1,000,000	403,306
3. Provision of general services by the Group	Chinalco	50,000	40,109
4. Provision of general services to the Group	Chinalco	160,000	48,757
5. Provision of commodities to the Group	Chinalco	2,000,000	160,460
6. Provision of financial services to the Group – deposit service (daily deposit balance including accrued interest)	Chinalco Finance	6,000,000	2,602,491
7. Provision of financial services to the Group – credit lending service (daily loan balance including accrued interest)	Chinalco Finance	8,000,000	4,727,200
8. Provision of financial services to the Group – factoring service (daily limit for factoring business)	Chinalco Finance	200,000	0
9. Provision of financial services to the Group – Other financial service	Chinalco Finance	3,300	0
10. Provision of factoring financing services to the Group (factoring amount)	Chinalco Commercial	940,000	35,000
11. Provision of factoring financing services to the Group (factoring service fee and handling fee)	Chinalco Commercial	60,000	1,200
12. Provision of trade payables factoring service to the Group (balance of existing factored trade payables)	Chinalco Commercial	250,000	0
13. Provision of factoring finance services to the Group for accounts payable (total annual costs)	Chinalco Commercial	8,750	0



SECTION VIII KEY MATTERS

1. Provision of engineering services by the Group

The Company renewed the engineering service master agreement with Chinalco on 28 December 2022, pursuant to which, the Group could provide engineering services, including, but not limited to, construction engineering, transfer of technologies (right of use), project supervision, surveying, engineering design, engineering consultation, device agency and sale of device, engineering management and other services related to engineering to Chinalco and/or its associates from time to time. For further details of the transaction, please refer to the H-share announcement “Announcement on Continuing Connected Transactions Renewal of Commodities Sales and Purchases Master Agreement, General Services Master Agreement and Engineering Services Master Agreement” (《持續關連交易續訂商品買賣總協議、綜合服務總協議及工程服務總協議公告》) issued on the website of the Stock Exchange by the Company on 28 December 2022.

The initial term of the engineering service master agreement commenced from 1 January 2023 and shall expire on 31 December 2025, unless terminated at any time by either party giving at least three months’ prior written notice to the other party with mutual consensus after negotiation.

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places of the Company, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for 2024 was RMB9,000,000,000 and the actual transaction amount was RMB6,620.595 million.

2. Provision of commodities by the Group

The Company renewed the general sale and purchase agreement of commodities with Chinalco on 28 December 2022, pursuant to which, the Group could provide products of the Group to Chinalco and/or its associates from time to time as portion of the Group’s equipment manufacturing business. These products mainly include the equipment, raw materials and commodities required for the production and operation of Chinalco. For further details of the transaction, please refer to the H-share announcement “Announcement on Continuing Connected Transactions Renewal of Commodities Sales and Purchases Master Agreement, General Services Master Agreement and Engineering Services Master Agreement” (《持續關連交易續訂商品買賣總協議、綜合服務總協議及工程服務總協議公告》) issued on the website of the Stock Exchange by the Company on 28 December 2022.

The initial term of the general sale and purchase agreement of commodities commenced from 1 January 2023 and shall expire on 31 December 2025, unless terminated at any time by either party giving at least three months’ prior written notice to the other party with mutual consensus after negotiation. Relevant subsidiaries or Associates of both parties shall enter into a separate contract which states specific terms and conditions based on the principles provided under the general sale and purchase agreement of commodities.



SECTION VIII KEY MATTERS

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places of the Company, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for 2024 was RMB1,000,000,000 and the actual transaction amount was RMB403.306 million.

3. Provision of general services by the Group

The Company renewed the master agreement of general services with Chinalco on 28 December 2022, pursuant to which, the Company could provide certain categories of services to Chinalco and/or its associates from time to time, mainly including property leasing, warehousing and transportation and provision of operation management, labour services and services related to training. For further details of the transaction, please refer to the H-share announcement “Announcement on Continuing Connected Transactions Renewal of Commodities Sales and Purchases Master Agreement, General Services Master Agreement and Engineering Services Master Agreement” (《持續關連交易續訂商品買賣總協議、綜合服務總協議及工程服務總協議公告》) issued on the website of the Stock Exchange by the Company on 28 December 2022.

The initial term of the master agreement of general services commenced from 1 January 2023 and shall expire on 31 December 2025, unless terminated at any time by either party giving at least three months' prior written notice to the other party with mutual consensus after negotiation. Relevant subsidiaries or Associates of both parties shall enter into a separate contract which states specific terms and conditions based on the principles provided under the master agreement of general services.

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places of the Company, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for 2024 was RMB50 million and the actual transaction amount was RMB40.109 million.

4. Provision of general services to the Group

The Company renewed the master agreement of general services with Chinalco on 28 December 2022, pursuant to which, the Company could provide certain categories of services to Chinalco and/or its associates from time to time, mainly including property leasing, warehousing and transportation and provision of operation management, labour services and services related to training. For further details of the transaction, please refer to the H-share announcement “Announcement on Continuing Connected Transactions Renewal of Commodities Sales and Purchases Master Agreement, General Services Master Agreement and Engineering Services Master Agreement” (《持續關連交易續訂商品買賣總協議、綜合服務總協議及工程服務總協議公告》) issued on the website of the Stock Exchange by the Company on 28 December 2022.



SECTION VIII KEY MATTERS

The initial term of the master agreement of general services commenced from 1 January 2023 and shall expire on 31 December 2025, unless terminated at any time by either party giving at least three months' prior written notice to the other party with mutual consensus after negotiation. Relevant subsidiaries or Associates of both parties shall enter into a separate contract which states specific terms and conditions based on the principles provided under the master agreement of general services.

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places of the Company, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for 2024 was RMB160 million and the actual transaction amount was RMB48.757 million.

5. Provision of commodities to the Group

The Company renewed the master agreement of sale and purchase of commodities with Chinalco on 28 December 2022, pursuant to which, the Group could purchase certain commodities from Chinalco and/or its associates which shall be used in our engineering and construction contracting business. These commodities mainly include materials such as non-ferrous products, manufacturing equipment, cement and engineering equipment and component related to non-ferrous industry. For further details of the transaction, please refer to the H-share announcement "Announcement on Continuing Connected Transactions Renewal of Commodities Sales and Purchases Master Agreement, General Services Master Agreement and Engineering Services Master Agreement" (《持續關連交易續訂商品買賣總協議、綜合服務總協議及工程服務總協議公告》) issued on the website of the Stock Exchange by the Company on 28 December 2022.

The initial term of the general sale and purchase agreement of commodities commenced from 1 January 2023 and shall expire on 31 December 2025, unless terminated at any time by either party giving at least three months' prior written notice to the other party with mutual consensus after negotiation. Relevant subsidiaries or Associates of both parties shall enter into a separate contract which states specific terms and conditions based on the principles provided under the general sale and purchase agreement of commodities.

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places of the Company, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for 2024 was RMB2,000 million and the actual transaction amount was RMB160.460 million.



SECTION VIII KEY MATTERS

6. Provision of financial services to the Group

The Company entered into a new financial services agreement with Chinalco Finance on 28 March 2024, effective for three years from the date of approval at the Annual General Meeting of the Company. The original agreement will be terminated accordingly after the new financial services agreement becomes effective. The general terms are as follow:

Providing financial services to the Group, including deposit services, settlement services, credit services, factoring services and other financial services;

Deposit services:

The Group opens a deposit account with Chinalco Finance and deposits funds into the deposit account with Chinalco Finance based on the principle of freedom of deposit and withdrawal, which may be in form of demand deposit, time deposit, call deposit, agreement deposit, etc.;

The interest rates for deposits on the Deposit Services to be offered by Chinalco Finance to the Group will not be lower than the benchmark interest rate for deposits published uniformly by the PBOC from time to time for the deposits with the same term and type, not lower than the interest rate for deposits offered by major commercial banks in the PRC for deposits with the same type during the same period, and not lower than the interest rate for deposits offered by Chinalco Finance to Chinalco and its group companies for deposits with the same type during the same period;

Chinalco Finance guarantees the safety of the funds deposited by the Group, and promptly and fully satisfy any withdrawal request raised by the Group. If Chinalco Finance fails to pay the deposit to the Group on time and in full, the Company has the right to terminate this agreement, and can lawfully offset the deposit payable by Chinalco Finance to the Group against the loan from Chinalco Finance to the Group;

During the effective period of this new financial services agreement, the daily deposit balance (including any interest accrued thereon) of the deposit account of the Group shall not exceed RMB6,000 million. During the Reporting Period, the actual maximum daily deposit balance was RMB2,602.491 million.



SECTION VIII KEY MATTERS

Settlement services:

Chinalco Finance provides payment services and collection services to the Group in accordance with the Group's instructions, as well as other auxiliary services related to settlement business;

Chinalco Finance provides the above settlement services for the Group for free;

Chinalco Finance shall ensure the safe operation of the fund settlement network, ensure the safety of funds, control the risk of assets and liabilities, and satisfy the payment requirements of the Group.

Credit services:

Subject to the relevant PRC laws and regulations, Chinalco Finance provides general credit services to the Group according to the operation and development needs of the Group. The Group can use the general credit line provided by Chinalco Finance for loans, bill acceptance, bill discounting, guarantee and other forms of financing business;

Chinalco Finance undertakes to provide the Group with favourable interest rate for loans, which shall not be higher than the benchmark interest rate for loans published uniformly by the PBOC from time to time for loans with the same type and term, and not higher than the interest rate charged by major commercial banks in the PRC for the loans with the same type during the same period;

Chinalco Finance shall provide credit facilities to the Group on normal commercial terms and without any security over the assets of the Group; 2024 Annual Report over the term of the new financial services agreement, the daily loan balance (including accrued interest) provided by Chinalco Finance to the Group shall not exceed RMB8 billion. During the Reporting Period, the actual maximum daily loan balance was RMB4,727,200,000.

Factoring services:

Conditional upon satisfying the relevant national laws and regulations, Chinalco Finance will provide Factoring Services for accounts receivable to the Group based on the operational and development needs of the Group;

Costs of the Factoring Services that Chinalco Finance undertakes to provide to the Group are not higher than the similar costs of major factoring companies in China during the same period;

Specific matters related to factoring services shall be separately signed by both parties;



SECTION VIII KEY MATTERS

The daily factoring business limit provided by Chinalco Finance to the Group shall not exceed RMB2 billion within the validity period of the New Financial Services Agreement. During the Reporting Period, the actual transaction amount was RMB0.00.

Other financial services:

Chinalco Finance will provide entrusted loans and miscellaneous financial services within its operation scope to the Group according to the instructions and requirements of the Group, and before Chinalco Finance provides miscellaneous financial services for the Group, both parties shall negotiate and enter into independent agreements;

The fees charged by Chinalco Finance for the provision of miscellaneous financial services shall be in compliance with the fees standard prescribed by the PBOC or the China Banking Regulatory Commission in respect of such services, and shall not exceed those charged by the major commercial banks in the PRC for the provision of the same type of financial services; The total fees charged by Chinalco Finance for the three years' provision of miscellaneous financial services to the Group shall not exceed RMB10 million within the validity period of the New Financial Services Agreement. During the Reporting Period, the actual transaction amount was RMB0.00.

Subject to this agreement, the Group and Chinalco Finance shall further sign separate contracts/agreements for the provision of relevant specific financial services to agree on specific transaction terms. Such specific contracts/agreements shall follow the principles, terms of this financial service agreement, and relevant legal provisions. For further details of the transaction, please refer to the H-share announcement "Announcement on Connected Transaction and Major Transaction in Relation to Renewal of Financial Services Agreement" (《更新金融服務協議之關聯交易及主要交易公告》) issued on the website of the Stock Exchange by the Company on 28 March 2024 and the H-share circular dated 16 May 2024.

As at the date of disclosure of this Annual Report, Chinalco directly held 72.9% of the existing issued share capital of the Company, was the controlling shareholder of the Company and became a related party (connected person) of the Company. At the same time, Chinalco directly held 85.2388% of Chinalco Finance and was the controlling shareholder of Chinalco Finance.

Therefore, Chinalco Finance is regarded as a related party (connected person) of the Company for the purpose of the listing rules of the listing places of the Company.

Accordingly, the new financial services agreement and the transactions thereunder constitute related party (connected) transactions under the listing rules of the listing places of the Company. As calculated under the HKEX Listing Rules, the highest applicable percentage ratios of deposit services and their proposed caps and the factoring services and their proposed caps under the new financial services agreement exceed 5%, the deposit services and their proposed caps and the factoring services and their proposed caps under the new financial services agreement are subject to the requirements for announcement, reporting and shareholders' approval under Chapter 14A of the HKEX Listing Rules. As the highest applicable percentage ratio of the deposit services and their proposed caps under the new financial services agreement exceeds 25% but is less than 75%, the deposit services constitute a major transaction of the Company under Chapter 14 of the HKEX Listing Rules and shall be subject to the requirements for announcement, reporting and shareholder approval under Chapter 14 of the HKEX Listing Rules.



SECTION VIII KEY MATTERS

As Chinalco Finance under the new financial services agreement provides settlement services to the Group free of charge, and each percentage of other financial services (if applicable) complies with the de minimis exemption level stipulated in Rule 14A.76 of the HKEX Listing Rules, the settlement services and other financial services are exempt from the requirements for reporting, announcement and independent shareholders' approval under Rule 14A.76 of the HKEX Listing Rules.

Given that the credit services provided by Chinalco Finance to the Group under the New Financial Services Agreement are on normal commercial terms, no less favourable than the terms on which independent third parties provide similar services to the Company in China, and the Group will not provide guarantee in relation to credit services, the Credit Services is exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the HKEX Listing Rules.

As the highest applicable percentage ratio of the factoring service and its proposed cap under the new financial services agreement exceeds 5% but lower than 25%, the factoring service constitutes a discloseable transaction of the Company under Chapter 14 of the HKEX Listing Rules, and is also subject to the announcement and reporting requirements under Chapter 14 of the HKEX Listing Rules.



SECTION VIII KEY MATTERS

7. Provision of factoring services to the Group

The Company renewed the factoring agreement with Chinalco Commercial Factoring Co., Ltd. on 27 October 2021. The Group transferred the Account Receivables under the Underlying Transaction Contracts to Chinalco Commercial. Chinalco Commercial agreed to the transfer of the aforesaid Account Receivables and provides the Group with factoring services. According to the anticipated conditions of business development, the Company renewed factoring agreement with Chinalco Commercial Factoring Co., Ltd. to specify an annual cap on factoring facility limit and total amount of the expenses occurred of RMB1 billion for 2022 to 2024. The term of the factoring service agreement shall be effective from the date of consideration and approval of the relevant motion at the Second Extraordinary General Meeting of the Company in 2021 and shall expire on 31 December 2024. For further details of the transaction, please refer to the H-share announcement “ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN RELATION TO RENEWAL OF THE FACTORING AGREEMENT” (《續訂保理協議之持續關連交易及須予披露交易公告》) issued on the website of the Stock Exchange by the Company on 27 October 2021 and the H-share circular published on the website of the Stock Exchange on 14 December 2021.

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places of the Company, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. Chinalco Commercial Factoring Co., Ltd. is the subsidiary of Chinalco Capital, the subsidiary of Chinalco, and thus the related parties (connected persons) of the Company. During the Reporting Period, the cap on the annual factoring quota for 2024 for this continuing related parties (connected) transaction was RMB940 million, while the actual transaction amount was RMB35 million, and the cap on the factoring service fee and handling fee was RMB60 million, while the actual transaction amount was RMB1.2 million.

8. Provision of factoring services for trade payables to the Group

The Company and Chinalco Commercial Factoring Co., Ltd. entered into a trade payables factoring cooperation framework agreement on 22 August 2023, pursuant to which the Company and its controlling subsidiaries may issue “E Xin Rong” electronic certificates to the suppliers of the Company and its controlling subsidiaries in respect of bona fide payables to the suppliers through the supply chain financial services platform of the factoring company, and upon maturation of the certificates, the Company or its controlled subsidiaries will pay the corresponding amount recorded in the certificates to the ultimate holders of such electronic certificates. Based on the expected commencement of the business, it is agreed that the amount of factoring facility and the total amount of factoring service fee and handling fee shall not exceed RMB250 million and RMB8.75 million per annum from 2023 to 2024, respectively. The term of the factoring service agreement shall commence on the date on which the relevant resolution was considered and passed at the Fourteenth Meeting of the Fourth Session of the Board of the Company and shall expire on 31 December 2024.



SECTION VIII KEY MATTERS

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places of the Company, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. Chinalco Commercial Factoring Co., Ltd. is the subsidiary of Chinalco Capital, the subsidiary of Chinalco, and thus the related parties (connected persons) of the Company. During the Reporting Period, the balance of the existing factoring business for trade payables shall not exceed RMB250 million, while the actual transaction amount was RMB0.00; and the total factoring service fee and handling fee shall not exceed RMB8.75 million per annum, while the actual transaction amount was RMB0.00.

The independent non-executive directors of the Company had reviewed each of the above continuing related party (connected) transactions and confirmed the transactions were:

- (1) conducted in the normal course of business of the Group;
- (2) conducted on normal commercial terms; if the comparable transactions could not be relied on to judge whether the terms of these transactions were normal commercial terms, those terms should not be less favorable than the terms accepted or provided by independent third parties so far as the Group was concerned; and
- (3) conducted in accordance with the terms of agreement related to relevant transactions and the terms were fair and reasonable and in the interests of Shareholders of the Company as a whole.

The Company has engaged an external auditor to report on the Group's continuing connected transactions in accordance with the China Standard on Other Assurance Engagements 3101, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Ministry of Finance of the PRC and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). The auditor has issued its letter containing its findings and conclusions in respect of the above transactions in accordance with Rule 14A.56 of the HKEX Listing Rules. Based on the work performed, the auditor of the Company has provided a letter to the Board confirming the following matters in relation to the continuing connected transactions as disclosed above:

- (1) Nothing has come to the auditor's attention that would cause the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board of Directors.
- (2) For transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that would cause the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- (3) Nothing has come to the auditor's attention that would cause the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

For the above related party (connected) transactions, the Directors also confirmed that the Company had complied with the disclosure requirements of the SSE Listing Rules and Chapter 14A of the HKEX Listing Rules.



SECTION VIII KEY MATTERS

(II) Non-exempt one-off connected transaction (disclosed as required by the HKEX Listing Rules)

1. Connected transaction in relation to the capital increase in Shandong Engineering

To further support the Company's subsidiary, CHINALCO Shandong Engineering Technology Co., Ltd. ("Shandong Engineering") to increase its investment in research and development, enhance its technological strength, optimise its capital structure, synergise its industrial chain and strengthen Shandong Engineering's market competitiveness, the Company entered into a capital increase agreement on 15 October 2024 with Chalco Shandong Co., Ltd. ("Chalco Shandong") and Shandong Engineering, pursuant to which the parties injected capital of a total of RMB500 million to Shandong Engineering in proportion to their respective shareholdings in Shandong Engineering, of which the Company injected capital of RMB300 million and Chalco Shandong injected capital of RMB200 million.

The proportionate shareholding of Shandong Engineering held by the Company and Chalco Shandong remains unchanged and Shandong Engineering remains a subsidiary of the Company.

Chalco Shandong is an indirect subsidiary of the Chinalco, which is the controlling shareholder and a connected person of the Company, and Chalco Shandong is therefore an associate of the Chinalco and hence a connected person of the Company. Pursuant to Rule 14A.92(1) of the HKEX Listing Rules, on the basis that Chalco Shandong will inject additional capital into Shandong Engineering in proportion to its shareholding in Shandong Engineering, the capital injection by Chalco Shandong will constitute a connected transaction.

Shandong Engineering is directly owned as to 60% by the Company and as to 40% by Chalco Shandong, a connected person at the issuer level. Accordingly, Shandong Engineering is a connected subsidiary of the Company and therefore a connected person of the Company under Rule 14A.16 of the HKEX Listing Rules. As Shandong Engineering is a connected subsidiary of the Company, the capital injection by the Company to Shandong Engineering constitutes a connected transaction under the HKEX Listing Rules.

For details of this transaction, please refer to the relevant announcement disclosed by the Company on the website of the Stock Exchange on 15 October 2024.

2. Connected transaction in relation to capital increase of CINF, Kunming Survey and Design Institute and SAMI

To satisfy the long-term development strategies of the Company's three subsidiaries, namely CINF, Kunming Survey and Design Institute and SAMI, enhance the Company's profitability, accelerate the transformation of the Company's business structure, consolidate the foundation of the Company's development and strengthen its core competitiveness, the Company entered into three capital increase agreements with the three subsidiaries and the qualified investors respectively on 21 November 2024 to introduce qualified investors into CINF, Kunming Survey and Design Institute and SAMI respectively through capital increase and share expansion through the on-market trading procedures conducted by Guangdong United Assets and Equity Exchange Co., Ltd. to introduce qualified investors to increase the capital of CINF, Kunming Survey and Design Institute and SAMI by way of capital increase and share expansion, details of which are set out below:

- (A) Capital increase agreement for CINF: Chinalco Suihe Non-ferrous Metals Green and Low-carbon Innovation Development Fund (Beijing) Partnership (Limited Partnership) ("Chinalco Suihe"), BOCOM Financial Asset Investment Co., Ltd. ("BOCOM Investment") and CCB Financial Asset Investment Co., Ltd. ("CCB Investment") invested a total of RMB1,080 million to subscribe for the corresponding increase in the registered capital of CINF.



SECTION VIII KEY MATTERS

- (B) Capital increase agreement for Kunming Survey and Design Institute: Chinalco Suihe, BOCOM Investment and CCB Investment invested a total of RMB560 million to subscribe for the corresponding increase in the registered capital of Kunming Survey and Design Institute.
- (C) Capital increase agreement for SAMI: Chinalco Suihe and Phase II (Hubei) Debt-to-Equity Swap Investment in Agriculture, Finance and High Technology Fund Partnership (Limited Partnership) (“AFHT Phase II”) invested a total of RMB650 million to subscribe for the corresponding increase in the registered capital of SAMI.

The total scale of this financing is RMB2.29 billion. After the completion date, the Company’s equity interest in each of CINF, Kunming Survey and Design Institute and SAMI will be reduced from 100% to 64.90%, 60.30% and 60.22%, respectively.

Chinalco Suihe is a partnership with Chinalco Innovation Development Equity Investment Fund Management (Beijing) Co., Ltd. (a wholly-owned subsidiary of Chinalco Capital Holdings Co., Ltd., which is a controlling subsidiary of Chinalco, and Chinalco is a controlling shareholder and a connected person of the Company) as a managing partner, and Chinalco Suihe is therefore an associate of the Chinalco and hence a connected person of the Company. The participation of Chalco Suihe in the capital increase transactions in respect of CINF, Kunming Survey and Design Institute and SAMI constitutes connected transactions of the Company under the HKEX Listing Rules. BOCOM Investment, CCB Investment and AFHT Phase II are independent third parties.

In accordance with the provisions of the Articles of Association and the HKEX Listing Rules, the Company convened the first extraordinary general meeting of 2024 on Friday, 13 December 2024, to consider and approve the ordinary resolutions in relation to the aforesaid capital increase transactions and the connected transactions pursuant thereto, and the ordinary resolutions were duly passed.

For details of this transaction, please refer to the relevant announcements of the Company dated 26 August 2024, 21 November 2024 and 13 December 2024 and the circular dated 22 November 2024 disclosed on the website of the Stock Exchange.



SECTION VIII KEY MATTERS

(III) Connected transactions related to daily operations

1. Events disclosed in temporary announcements and without subsequent development or change in implementation

☐ Applicable ☒ Not applicable

2. Events disclosed in temporary announcements but with subsequent development or change in implementation

☐ Applicable ☒ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

(IV) Connected transactions from acquisition and disposal of assets or equity interests

1. Events disclosed in temporary announcements and without subsequent development or change in implementation

☐ Applicable ☒ Not applicable

2. Events disclosed in temporary announcements but with subsequent development or change in implementation

☐ Applicable ☒ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ☒ Not applicable

4. In case of any guaranteed performance, whether the performance is achieved for the Reporting Period shall be disclosed

☐ Applicable ☒ Not applicable

(V) Significant related party transactions in joint external investments

1. Events disclosed in temporary announcements and without subsequent development or change in implementation

☐ Applicable ☒ Not applicable

2. Events disclosed in temporary announcements but with subsequent development or change in implementation

☐ Applicable ☒ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

(VI) Amounts due to or from related parties

1. Events disclosed in temporary announcements and without subsequent development or change in implementation

☐ Applicable ☒ Not applicable

2. Events disclosed in temporary announcements but with subsequent development or change in implementation

☐ Applicable ☒ Not applicable

3. Events not disclosed in temporary announcements

☒ Applicable ☐ Not applicable

(Expressed in RMB'000)

Related parties	Related party relationship	Provide funds to related parties			Provide funds to listed companies by related parties		
		Opening Balance	Amount incurred	Closing balance	Opening Balance	Amount incurred	Closing balance
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company	/	/	/	2,679,000	2,048,200	4,727,200
Total		/	/	/	2,679,000	2,048,200	4,727,200

Reasons for the formation of related creditor's rights and debts

Related parties Funds provided to listed companies are borrowings from finance companies

The impact of related creditor's rights and debts on the company

No impact

**SECTION VIII KEY MATTERS****(VII) Financial business between the Company and the connected financial company, between the holding financial company and the related party**✓Applicable ☐Not applicable**1. Deposit business**✓ Applicable ☐ Not applicable

(Expressed in RMB'000)

Related parties	Related party relationship	Daily maximum deposit limit	Range of deposit interest rate	Opening Balance	Amount incurred during the period		Closing balance
					Total deposit amount for the period	Total withdrawal amount for the period	
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company	6,000,000	0.525%-1.35%	1,369,771	96,742	–	1,466,513
Total	/	/	/	1,369,771	96,742	–	1,466,513



SECTION VIII KEY MATTERS

2. Loan business

✓ Applicable ☐ Not applicable

(Expressed in RMB'000)

Related parties	Related party relationship	Loan facility	Range of deposit interest rate	Opening Balance	Amount incurred during the period		Closing balance
					Total loan amount for the period	Total repayment amount for the period	
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company	8,000,000	2.4%-4%	2,679,000	2,048,200	2,048,200	4,727,200
Total	/	/	/	2,679,000	2,048,200	2,048,200	4,727,200



SECTION VIII KEY MATTERS

3. Credit business or other financial business

☒ Applicable ☐ Not applicable

(Expressed in RMB'000)

Related parties	Related party relationship	Business type	Total	Actual amount incurred
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company	Factoring business	2,000,000	0
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company	Other financial services	3,300	0
Chinalco Commercial Factoring Co., Ltd.	Controlled subsidiary of parent company	Factoring financing business (factoring limit)	940,000	35,000
Chinalco Commercial Factoring Co., Ltd.	Controlled subsidiary of parent company	Factoring financing business (factoring service fee and handling fee)	60,000	1,200
Chinalco Commercial Factoring Co., Ltd.	Controlled subsidiary of parent company	Trade payables factoring service (balance of existing factored trade payables)	250,000	0
Chinalco Commercial Factoring Co., Ltd.	Controlled subsidiary of parent company	Trade payables factoring service (total fees per annum)	8,750	0

4. Other notes

☐ Applicable ☒ Not applicable

(VIII) Others

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

XIII. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Custody, contracting and leasing matters

1. Custody

☐ Applicable ☒ Not applicable

2. Contracting

☐ Applicable ☒ Not applicable

3. Leasing

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

(II) Guarantees

✓ Applicable □ Not applicable

(Expressed in RMB'000)

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	External guarantees (other than to subsidiaries)										Whether guarantee for related party or not	Related party relationship
					Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee				
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	985,780	2021/9/17	2019/10/31	2047/10/31	General guarantee	None	No	No	0	None	No	—		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	1,445,239	2022/3/31	2022/3/31	2047/3/21	General guarantee	None	No	No	0	None	No			
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	214,300	2021/3/18	2021/3/18	2046/3/18	General guarantee	None	No	No	0	None	No			
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	257,160	2021/12/28	2021/12/28	2046/12/28	General guarantee	None	No	No	0	None	No			
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	385,740	2022/5/25	2022/5/28	2047/5/28	General guarantee	None	No	No	0	None	No			
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	214,300	2021/3/18	2021/4/20	2049/4/20	General guarantee	None	No	No	0	None	No			



SECTION VIII KEY MATTERS

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	External guarantees (other than to subsidiaries)								Whether guarantee for related party or not	Related party relationship
					Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	191,584	2021/12/28	2022/1/6	2049/1/6	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	600,040	2021/9/17	2019/10/31	2047/10/31	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	42,860	2020/9/28	2020/9/28	2048/9/28	Joint liability guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	257,160	2020/11/26	2021/1/4	2048/1/4	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	214,300	2022/1/18	2022/1/25	2048/1/25	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	85,720	2020/9/28	2020/10/20	2048/10/20	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	214,300	2021/12/20	2021/12/20	2048/12/20	General guarantee	None	No	No	0	None	No	



SECTION VIII KEY MATTERS

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	External guarantees (other than to subsidiaries)									Whether guarantee for related party or not	Related party relationship
					Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee			
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	42,860	2020/9/28	2020/9/28	2043/9/28	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	21,430	2022/5/12	2022/5/12	2045/5/12	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	171,440	2020/12/21	2020/12/21	2043/12/22	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	428,600	2020/12/29	2021/5/28	2046/5/28	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	428,600	2021/12/1	2021/12/17	2046/12/17	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	302,407	2024/11/11	2024/11/28	2047/12/25	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	715,762	2021/12/24	2021/12/24	2046/12/24	General guarantee	None	No	No	0	None	No		



SECTION VIII KEY MATTERS

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	External guarantees (other than to subsidiaries)									Whether guarantee for related party or not	Related party relationship
					Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee			
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	42,860	2020/10/12	2020/11/4	2043/1/4	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	214,300	2020/12/22	2021/7/24	2044/10/24	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	21,430	2022/1/25	2021/3/11	2044/3/11	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	428,600	2020/12/30	2021/4/15	2046/4/15	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	209,157	2021/12/1	2021/12/30	2046/12/30	General guarantee	None	No	No	0	None	No		
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	219,443	2021/12/24	2021/12/30	2046/12/30	General guarantee	None	No	No	0	None	No		
Hanzhong Ninth Metallurgical Construction Co., Ltd.	Controlled subsidiary	Mian County Urban and Rural Infrastructure Construction Co., Ltd.	9,066	2015/10/20	2015/10/20	2027/10/19	General guarantee	None	No	No	0	None	No		



SECTION VIII KEY MATTERS

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	External guarantees (other than to subsidiaries)								Whether guarantee for related party or not	Related party relationship
					Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee		
Cumulative amount of guarantees provided during the reporting period (excluding those for subsidiaries)													275,173	
Total guarantee balance at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)													8,364,438	
Guarantees by the Company and its subsidiaries to subsidiaries														
Cumulative amount of guarantees provided for subsidiaries during the reporting period													-52,483	
Total balance of guarantees to subsidiaries at the end of the Reporting Period (B)													401,124	
The total amount of guarantees provided by the company (including guarantees to subsidiaries)														
Total amount of guarantees (A+B)													8,765,562	
Ratio of total amount of guarantees to net assets of the Company (%)													99.1	
Including:														
Amount of guarantee provided for shareholders, beneficiary owners and their related parties (C)													0	
The amount of debt guarantee provided directly or indirectly for the guaranteed entity whose asset-liability ratio exceeds 70% (D)													401,124	
The amount of the total guarantee exceeding 50% of the net assets (E)													4,343,030	
Sum of above 3 guarantee amounts (C+D+E)													4,744,154	
Explanation on the potential joint liability arising from the immature guarantees														
Explanation on the guarantees														

(III) Particulars of cash under discretionary management

1. Details of wealth under discretionary management

(1) Overview of wealth under discretionary management

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

(2) Details of single case of wealth under discretionary management

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

- (3) Impairment provisions for entrusted financial management

☐ Applicable ☒ Not applicable

2. Particulars of entrusted loans

- (1) Overview of entrusted loans

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

- (2) Details of single case of entrusted loans

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

- (3) Impairment provisions for entrusted loan

☐ Applicable ☒ Not applicable

3. Other information

☐ Applicable ☒ Not applicable

(IV) Other material contracts

☐ Applicable ☒ Not applicable



SECTION VIII KEY MATTERS

XIV. DESCRIPTION OF THE PROGRESS OF USE OF RAISED FUNDS

☐ Applicable ☒ Not applicable

XV. EXPLANATIONS OF OTHER KEY MATTERS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS

☐ Applicable ☒ Not applicable



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

I. CHANGES IN ORDINARY SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

On July 26, 2024, the total share capital of the Company changed from 2,959,066,667 to 2,985,836,267 shares.

	Beginning of reporting period		Increase or decrease in the Reporting Period (+, -)					As at the end of reporting period	
	Number	Proportion (%)	Issuance of new shares	Conversion		Other	Sub total	Number	Proportion (%)
				Gifting of shares	of provident fund into shares				
I. Shares with sales restrictions	/	/	26,769,600	/	/	/	26,769,600	26,769,600	0.90
1. Held by the State	/	/	/	/	/	/	/	/	/
2. Held by State-owned legal person									
3. Held by other domestic capital			26,769,600				26,769,600	26,769,600	0.90
Including: Held by domestic non-State-owned legal person									
Held by domestic natural person			26,769,600				26,769,600	26,769,600	0.90
4. Held by overseas capital									
Including: Held by overseas legal person									
Held by overseas natural person									
II. Outstanding shares not subject to selling restrictions	2,959,066,667	100.00						2,959,066,667	99.10
1. Renminbi ordinary shares	2,559,590,667	86.50						2,559,590,667	85.72
2. Domestic listed foreign shares									
3. Overseas listed foreign shares	399,476,000	13.50						399,476,000	13.38
4. Other									
III. Total number of shares	2,959,066,667	100	26,769,600				26,769,600	2,985,836,267	100.00



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

2. Explanation of changes in shares

☒ Applicable ☐ Not applicable

The Company held the 21st meeting of the fourth session of the board of directors and the 17th meeting of the fourth session of the board of supervisors on 18 June 2024, and considered and approved the “Proposal in Relation to the Initial Grant to Participants of the Company’s 2023 Restricted Share Incentive Scheme”, which determines that 18 June 2024 will be the initial grant date, and 27,158,300 restricted shares will be initially granted to 240 participants who meet the grant conditions at a grant price of RMB2.37 per share. On 26 July 2024, Shanghai Branch of China Securities Depository and Clearing Corporation Limited completed the registration of the grant of restricted shares under the current incentive scheme, and issued the Certificate of Change in Registration of Securities to the Company, the total share capital of the Company changed from 2,959,066,667 shares to 2,985,836,267 shares. For details, please refer to the Announcement of China Aluminum International Engineering Corporation Limited Regarding the Completion of Registration of the Grant under the 2023 Restricted Share Incentive Scheme disclosed by the Company on the website of the SSE (www.sse.com.cn) and the designated media on 30 July 2024 (Announcement No.: Lin 2024-040).

3. Impact (if any) of changes in shares on EPS, net assets per share and other financial indicators for the latest year and the latest period

☐ Applicable ☒ Not applicable

4. Other information disclosure which the Company deems necessary or is required by the securities regulatory authority

☒ Applicable ☐ Not applicable



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

(II) Particulars of changes in restricted shares

✓ Applicable ☐ Not applicable

Unit: Shares

Name of shareholders	Number of restricted shares at the beginning of the year	Number of shares released from restricted sale during the year	Increase in the number of restricted shares during the year	Number of restricted shares at the end of the year	Reason for disposal restriction	Release date
Participants of the first grant of the 2023 restricted share incentive scheme	0	0	26,769,600	26,769,600	Lock-up period of the restricted share incentive scheme	See description
Total	0	0	26,769,600	26,769,600	/	/

Description: The restricted shares under the first grant of the Company's 2023 restricted share incentive scheme will be unlocked in three installments at the first trading day after 24 months, 36 months and 48 months from the date of completion of the registration of the grant. The proportion of shares unlocked in each installment will be 40%, 30% and 30% respectively. The actual lifting of restrictions is linked to the unlocking conditions and the corresponding assessment of annual performance appraisal results.



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

II. SECURITIES OFFERING AND LISTING

(I) Securities issuing during the Reporting Period

☒ Applicable ☐ Not applicable

Unit: Shares Currency: RMB

Types of shares and the derivative securities	Date of issuance	Issue price (or interest rate)	Number of the issuance	Listing date	Number authorized for trading	Trading Termination Date
Ordinary share category						
Renminbi ordinary shares	26 July 2024	RMB2.37	26,769,600	To be listed after unlocking	To be determined by the number of shares unlocked for each period	–
Bonds (including enterprise bonds, corporate bonds and debt financing instruments for non-financial enterprises)						
/	/	/	/	/	/	/

Particulars of securities issuing during the Reporting Period (outstanding bonds with different interest rate requires separate explanation):

☒ Applicable ☐ Not applicable

1. Issuance of Ordinary Shares During the Reporting Period

The Company implemented the initial grant under the 2023 Restricted Share Incentive Scheme. At the 21st meeting of the fourth session of the Board and the 17th meeting of the fourth session of the board of supervisors of the Company on 18 June 2024, the Company considered and approved the Resolution on the Initial Grant of Restricted Shares to Participants under the Company's 2023 Restricted Share Incentive Scheme. The date of initial grant was determined to be 18 June 2024. On 26 July 2024, Shanghai Branch of the CSDCC completed the registration of the restricted shares under the incentive scheme and issued the Certificate of Change in Registration of Securities to the Company, and the number of shares under the initial grant was 26,769,600 shares. Following this grant, the Company's total share capital increased from 2,959,066,667 shares to 2,985,836,267 shares.



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

2. Bonds of the Company During the Reporting Period

For details regarding the Company's bonds (including corporate bonds and debt financing instruments) during the reporting period, please refer to the table above or Section XI "Particulars on Bonds" of this annual report.

(II) Changes in total number of shares and shareholding structure of the Company and changes in assets and liabilities structure of the Company

☒ Applicable ☐ Not applicable

As a result of the implementation of the Company's restricted share incentive scheme during the reporting period, the total number of shares of the Company changed from 2,959,066,667 at the beginning of the reporting period to 2,985,836,267 at the end of the reporting period.

(III) Existing internal employee shares

☒ Applicable ☐ Not applicable



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

III. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLERS

(I) Shareholding structure and public float

1. Shareholding structure

As of 31 December 2024, the Company had a total share capital of RMB2,985,836,267.00, divided into 2,985,836,267.00 shares (including 399,476,000.00 H shares and 2,586,360,267.00 A shares) at the nominal value of RMB1.00 per share.

2. Public float

Based on information publicly available to the Company and so far as the Directors are aware, the issued A Shares and H Shares of the Company held by the public as at the date of disclosure of this report was in compliance with the requirements under the HKEX Listing Rules.

(II) Total number of shareholders

Total number of ordinary shareholders by the end of Reporting Period	38,514
Total number of ordinary shareholders at end of the last month immediately preceding the disclosure date of the Annual Report	38,086
Total number of shareholders of preferred shares with voting right reinstated by the end of Reporting Period	Not applicable
Total number of shareholders of preferred shares with voting right reinstated at end of the last month immediately preceding the disclosure date of the Annual Report	Not applicable



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

(III) Table of shareholding by top 10 shareholders and top 10 circulating shareholders (or shareholders of unrestricted shares)

Unit: Shares

Shareholding of top 10 shareholders (excluding the lending of shares through refinancing facilities)							
Name of shareholders (full name)	Increase or decrease in the Reporting Period	Number of shares held at end of the year	Percentage (%)	Number of restricted shares held (shares)	Pledged, marked or frozen Status of shares	Number (shares)	Nature of shareholder
Aluminum Corporation of China Limited	0	2,176,758,534	72.90	0	None	0	State-owned legal person
HKSCC Nominees Limited	0	399,476,000	13.38	0	Unknown	0	Other
Luoyang Engineering & Research Institute for Non-ferrous Metals Processing	0	86,925,466	2.91	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	1,355,574	10,474,609	0.35	0	Nil	0	Other
Aladdin Legendary Technology Group Co., Ltd.	5,600,000	5,600,000	0.19	0	Nil	0	Other
XU Biao	3,417,000	4,417,000	0.15	0	Nil	0	Domestic natural person
GU Jing	206,000	2,773,100	0.09	0	Nil	0	Domestic natural person
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Fund	2,247,500	2,609,100	0.09	0	Nil	0	Other
Bank of China Limited – China Merchants CSI 1000 Index Enhanced Securities Investment Fund	2,237,300	2,237,300	0.07	0	Nil	0	Other
CITIC Securities Company Limited	130,164	2,168,216	0.07	0	Nil	0	Other

**SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS****Shareholding of top 10 shareholders not subject to selling restrictions
(excluding the lending of shares through refinancing facilities)**

Name of shareholders	Number of outstanding shares held not subject to selling restrictions	Class and number of shares	
		Class	Number (shares)
Aluminum Corporation of China Limited	2,176,758,534	Renminbi ordinary shares	2,176,758,534
HKSCC Nominees Limited	399,476,000	Overseas listed foreign shares	399,476,000
Luoyang Engineering & Research Institute for Non-ferrous Metals Processing	86,925,466	Renminbi ordinary shares	86,925,466
Hong Kong Securities Clearing Company Limited	10,474,609	Renminbi ordinary shares	10,474,609
Aladdin Legendary Technology Group Co., Ltd.	5,600,000	Renminbi ordinary shares	5,600,000
XU Biao	4,417,000	Renminbi ordinary shares	4,417,000
GU Jing	2,773,100	Renminbi ordinary shares	2,773,100
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open- ended Index Fund	2,609,100	Renminbi ordinary shares	2,609,100
Bank of China Limited – China Merchants CSI 1000 Index Enhanced Securities Investment Fund	2,237,300	Renminbi ordinary shares	2,237,300
CITIC Securities Company Limited	2,168,216	Renminbi ordinary shares	2,168,216
Description of special account for repurchase of the top ten shareholders	N/A		
Explanations on the entrusting voting right, entrusted voting right and abstention of voting right of the above shareholders	N/A		
Explanation of shareholders of preferred shares with reinstated voting rights and the number of shares held	N/A		



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

Note 1: The number of shares held by Chinalco did not include A shares of the Company indirectly held through its subsidiary Luoyang Institute and H shares of the Company indirectly held through its subsidiary Yunnan Aluminum International. Chinalco and its subsidiaries held a total of 2,283,179,000 shares of the Company, including 2,263,684,000 A shares and 19,495,000 H shares, accounting for 76.47% of the total share capital of the Company.

Note 2: The 19,495,000 H shares of the Company held by Chinalco through its subsidiary Yunnan Aluminum International were held by HKSCC Nominees Limited on its behalf.

Note 3: The 399,476,000 H shares of the Company held by Hong Kong Securities Clearing Company Nominees Limited includes the 19,495,000 H shares held by Chinalco through its subsidiary YAIC.

Note 4: Except the above, the Company is not aware that the above shareholders have any related relationship or are acting in concert among each other.

Shareholders holding more than 5% of shares, top ten shareholders and top ten holders of outstanding shares not subject to sales restriction and outstanding participating in the lending of shares in the refinancing business

☐ Applicable ☒ Not applicable

Changes in top ten shareholders and top ten holders of outstanding shares not subject to sales restriction compared with the previous period due to lending/returning of refinancing loans

☐ Applicable ☒ Not applicable

**SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS****Number of shares held by top ten restricted shareholders and restriction conditions**✓ Applicable ☐ Not applicable

Unit: Shares

No.	Name of restricted shareholders	Number of restricted shares held	Availability of limited shares for listing and trading		Selling restrictions
			Time of available for trading	Number of new shares available for listing and trading	
1	LI Yihua	267,400	Note	Note	Note
2	LIU Jing	267,400			
3	LIU Ruiping	227,300			
4	LIU Dongjun	200,600			
5	BI Xiaoge	200,600			
6	ZHAO Hongmei	200,600			
7	SI Jianhong	200,600			
8	ZHOU Dongfang	200,600			
9	Other incentive participants (14 persons in total)	2,599,800			

Explanation of related party relationship or acting in concert in respect of the above shareholders The aforementioned persons do not have other related party relationship except that they all hold position in the Company or its subsidiaries.

Note: The shares held by the above shareholders subject to lock-up are restricted shares granted under the Company's 2023 Restricted Share Incentive Scheme. The restricted shares shall be released from the first trading day after 24 months, 36 months and 48 months from the date of completion of the grant registration in three phases, in the proportion of 40%, 30% and 30%, respectively, for each period. The release of the restriction is conditional upon satisfaction of the unlocking conditions and the results of corresponding annual performance evaluation.



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

(IV) Strategic investors or general legal persons who become top 10 shareholders due to rights issue

☐ Applicable ☒ Not applicable

(V) Interests and short positions of substantial shareholders in shares and underlying shares

As at 31 December 2024, so far as known to the directors of the Company, the following persons (other than the directors and senior management of the Company) had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO; or have the records of interests register to be kept under Section 336 of the SFO, or are deemed to carry the right to directly and or indirectly 5% or more in the nominal value of any class of share capital being voted at the general meeting of the Company in any circumstance:

Name of shareholders	Class of shares	Capacity/ nature of interest	Number of shares held (share)	Approximate percentage of shareholding in relevant class of Shares (%) (Note 1)	Approximate percentage of shareholding in total share capital (%) (Note 1)
Chinalco (Note 2)	A Share	Beneficial owner	2,176,758,534 (Long position)	84.16	72.90
		Interest of controlled corporation	86,925,466 (Long position)	3.36	2.91
	H Share	Interest of controlled corporation	19,495,000 (Long position)	4.88	0.65
Guizhou Construction Investment Group Co., Ltd. (Note 3)	H Share	Beneficial owner	69,096,000 (Long position)	17.30	2.31
CNMC Trade Company Limited	H Share	Beneficial owner	59,225,000 (Long position)	14.83	1.98

**SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS**

Name of shareholders	Class of shares	Capacity/ nature of interest	Number of shares held (share)	Approximate percentage of shareholding in relevant class of Shares (%) (Note 1)	Approximate percentage of shareholding in total share capital (%) (Note 1)
Peaktrade Investments Ltd.	H Share	Beneficial owner	59,210,000 (Long position)	14.82	1.98
Leading Gain Investments Limited (Note 4)	H Share	Nominee of another person (other than passive trustee)	29,612,000 (Long position)	7.41	0.99
China XD Group Co., Ltd.	H Share	Beneficial owner	29,612,000 (Long position)	7.41	0.99

Note 1: The percentage is calculated by dividing number of relevant class of Shares in issue of the Company as at 31 December 2024 by total number of Shares.

Note 2: Chinalco is interested in 2,263,684,000 A shares, representing approximately 75.81% of the total share capital of the Company, among them, Chinalco directly holds 2,176,758,534 A shares, representing approximately 72.90% of the Company's total share capital, Luoyang Institute is a wholly-owned subsidiary of Chinalco and directly holds 86,925,466 A Shares, representing approximately 2.91% of the total share capital of the Company. YAIC is a wholly-owned subsidiary of Chinalco and directly holds 19,495,000 H Shares, representing approximately 0.65% of the total share capital of the Company. Chinalco is therefore also deemed to be interested in the A Shares held by Luoyang Institute and the H Shares held by YAIC under the SFO.

Note 3: Upon enquiry, The Seventh Metallurgical Construction Group Co., Ltd was renamed Guizhou Construction Investment Group Co., Ltd. on 26 July 2023.

Note 4: Leading Gain Investments Limited is the nominee holder of Beijing Jundao Technology Development Co., Ltd.



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

IV. PARTICULARS OF CONTROLLING SHAREHOLDER AND BENEFICIAL OWNER

(I) Controlling shareholder

1. Legal person

☒ Applicable ☐ Not applicable

Name	Chinalco
Principal or the legal representative	DUAN Xiangdong
Date of establishment	21 February 2001



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

Name	Chinalco
Principal businesses	<p>Permitted items: mineral resources exploration; geological exploration of metallic and non-metallic mineral resources; import and export of goods under state trading administration; export supervision warehouse operation; construction engineering survey; construction engineering design; construction engineering works; electrical installation services. the projects subject to approval at laws shall be carried out with approval by relevant authorities, the specific business projects as is stated in the approval document or permit issued by the relevant departments shall prevail) general items: common non-ferrous metal smelting; corporate headquarters management; holding company services; carry out investment activities with self-owned funds; self-owned funds invested asset management services; technical services for geological exploration; ore dressing; minerals washing, selection and processing; sales of metal ores; non-ferrous metal casting; non-ferrous metal rolling processing; forgings and powder metallurgy products manufacturing; non-ferrous metal alloy manufacturing; metal surface treatment and heat treatment processing; sales of non-ferrous metal alloy; sales of high-performance non-ferrous metal and alloy materials; sales of new metal functional materials; technical services, technology development, technology consulting, technology exchanges, technology transfer and technology promotion; new materials technology research and development; import and export agency; trade brokerage; domestic trade agency; offshore trade operation; engineering management services; earthwork construction; manufacture of dedicated equipment for geological survey; manufacture of machinery for construction engineering; manufacture of dedicated equipment for metallurgy; research, testing and development of engineering and technology; manufacture of general equipment (excluding manufacture of special equipment); manufacture of dedicated equipment for environmental protection; manufacture of mining machinery; manufacture of metal working machinery; manufacture of dedicated equipment (excluding manufacture of licensed dedicated equipment); manufacturing of metal structure; general machinery and equipment installation services; engineering technical services (except planning management, survey, design and supervision); technology import and export; new materials technology promotion services; engineering cost consulting services; external contracting of projects; industrial design services; manufacturing of graphite and carbon products; sales of graphite and carbon products. (Except for items that require approval according to law, business activities can be carried out independently according to law with a business license) (Business activities that are prohibited or restricted by national and municipal industrial policies are not allowed)</p>



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

Name	Chinalco
During the Reporting Period, the equity of other domestic and overseas listed companies controlled and participated by the company	<p>As of 31 December 2024, in addition to the Company, other domestic and overseas listed companies controlled and participated by Chinalco included:</p> <ol style="list-style-type: none"> 1. Chinalco and its subsidiaries held collectively 32.43% shares of Chalco (a company listed on the SSE (stock code: 601600) and the HKEX (stock code: 02600). Chinalco indirectly holds 41.23% shares of Ningxia Yinxing Energy Co., Ltd. (寧夏銀星能源股份有限公司) (a company listed on the SZSE, stock code: 000862) through Chinalco Ningxia Energy Group Co., Ltd. (中鋁寧夏能源集團有限公司), a subsidiary of Chalco. 2. Chinalco indirectly held 31.82% shares of Yunnan Copper Co., Ltd. (雲南銅業股份有限公司) (a company listed on the SZSE, stock code: 000878) through its subsidiary, Yunnan Copper (Group) Co., Ltd. (雲南銅業(集團)有限公司). 3. Chinalco indirectly held 13.00% shares and 29.10% shares of Yunnan Aluminum Co., Ltd. (雲南鋁業股份有限公司) (a company listed on the SZSE, stock code: 000807) through its subsidiaries Yunnan Metallurgical Group and Chinalco, respectively. 4. Chinalco directly holds 1.96% equity interest in Yunnan Chihong Zinc and Germanium Co., Ltd. (a company listed on the SSE, stock code: 600497), and, together with its subsidiary Yunnan Metallurgical Group, hold 40.15% equity interest in Yunnan Chihong Zinc and Germanium Co., Ltd.
Other information Description	None

2. Natural person

☐ Applicable ☒ Not applicable

3. Special explanation in case the Company does not have a controlling shareholder

☐ Applicable ☒ Not applicable

4. Explanation on the change of controlling shareholder during the Reporting Period

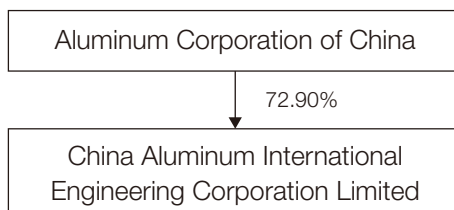
☐ Applicable ☒ Not applicable



SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

5. Chart of property rights and shareholding structure between the Company and its controlling shareholder

☒ Applicable ☐ Not applicable



(II) Beneficiary owner

1. Legal person

☒ Applicable ☐ Not applicable

The Company's beneficiary owner is the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會).

2. Natural person

☐ Applicable ☒ Not applicable

3. Special explanation in case the Company does not have a beneficiary owner

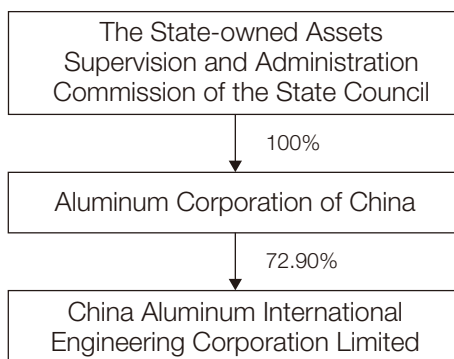
☐ Applicable ☒ Not applicable

4. Explanation of change of beneficiary owner of the Company during the Reporting Period

☐ Applicable ☒ Not applicable

5. Chart of property rights and shareholding structure between the Company and its beneficiary owner

☒ Applicable ☐ Not applicable





SECTION IX CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

6. Beneficiary owner's control over the Company through trust or other asset management means

☐ Applicable ☒ Not applicable

(III) Other information on controlling shareholder and beneficiary owner

☐ Applicable ☒ Not applicable

V. THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER OF THE COMPANY AND ITS PERSONS ACTING IN CONCERT HAVE ACCUMULATIVELY PLEDGED SHARES THAT ACCOUNT FOR MORE THAN 80% OF THE COMPANY'S SHARES HELD BY THEM

☐ Applicable ☒ Not applicable

VI. OTHER LEGAL PERSON SHAREHOLDERS HOLDING MORE THAN 10% OF THE SHARES

☐ Applicable ☒ Not applicable

VII. DESCRIPTION ON RESTRICTIONS ON REDUCING SHAREHOLDING

☐ Applicable ☒ Not applicable

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

IX. PRE-EMPTIVE RIGHT, SHARE OPTION ARRANGEMENT

There is no provision in the Company's articles of association and the laws of the PRC requiring the Company to apply for pre-emptive rights to offer new shares to existing shareholders in proportion to their shareholdings.



SECTION X PARTICULARS OF PREFERRED SHARES

☐ Applicable ☒ Not applicable



SECTION XI PARTICULARS OF BONDS

I. DEBENTURES, CORPORATE BONDS AND NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

☒ Applicable ☐ Not applicable

(I) Corporate bonds (including enterprise bonds)

☐ Applicable ☒ Not applicable

(II) Particulars of proceeds of corporate bonds

☐ Corporate bonds are involved in the use of proceeds or rectification during the reporting period

☒ None of the Company's corporate bonds involved the use of proceeds or rectification during the reporting period

(III) Other matters that should be disclosed for special variety bonds

☐ Applicable ☒ Not applicable

(IV) Important matters in relation to corporate bonds during the reporting period

☐ Applicable ☒ Not applicable



SECTION XI PARTICULARS OF BONDS

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

☒ Applicable ☐ Not applicable

1. Basic Information on Debt Financing Instruments for Non-Financial Enterprises

(Expressed in RMB'000)

Bond name	Abbreviation	Code	Date of issuance	Value date	Maturity date	Balance of bonds	Rate (%)	Repayment terms	Trading place	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of de-listing
China Aluminum International 2023 First Tranche of Sustainable MTN	23 Zhong Lv Guo Gong	102382877 MTN001	2023/10/27	2023/10/27	Enter first redemption period on 2025/10/27	1,500,000	4.17%	Interest shall be paid once a year	Interbank market	None	Bidding, quotation, enquiry and agreement	None
China Aluminum International 2023 Second Tranche of Sustainable MTN	23 Zhong Lv Guo Gong	102383165 MTN002	2023/11/24	2023/11/24	Enter first redemption period on 2025/11/24	1,300,000	3.77%	Interest shall be paid once a year	Interbank market	None	Bidding, quotation, enquiry and agreement	None

Countermeasures for the risk of bonds de-listing

☐ Applicable ☒ Not applicable



SECTION XI PARTICULARS OF BONDS

Overdue outstanding bonds

☐ Applicable ☒ Not applicable

Information on payment of principal of and interest on bonds during the Reporting Period

☒ Applicable ☐ Not applicable

Bond name	Explanation of the status of interest payments
China Aluminum International 2023 First Tranche of Sustainable MTN	Interest shall be paid on schedule
China Aluminum International 2023 Second Tranche of Sustainable MTN	Interest shall be paid on schedule

2. Triggering and enforcement of company or investor option clauses, investor protection clauses

☐ Applicable ☒ Not applicable

**SECTION XI PARTICULARS OF BONDS****3. Intermediaries providing services for bond issuance and duration business**

Name of intermediary	Office address	Signature Accountant's Name	Contact	Telephone
Grant Thornton Zhitong Certified Public Accountants LLP	5/F Scitech Place, 22 Jianguomen Wai Avenue, Chaoyang District, Beijing	HUANG Zhibin, LI Yang	LI Yang	13691038358

Changes in the above-mentioned intermediaries

✓ Applicable ☐ Not applicable**4. Use of proceeds from offerings at the end of the Reporting Period**✓ Applicable ☐ Not applicable

(Expressed in RMB'000)

Bond name	Total proceeds raised	Amount utilized	Unutilized amount	Operation of the special account for proceeds (if any)	Rectification of non-compliant use of proceeds (if any)	Whether it is consistent with the purpose, utilization plan and other agreements promised in the offering memorandum
23 Zhong Lv Guo Gong MTN001	1,500,000	1,500,000	0	No	No	Yes
23 Zhong Lv Guo Gong MTN002	1,300,000	1,300,000	0	No	No	Yes



SECTION XI PARTICULARS OF BONDS

The progress and operational benefits of proceeds used for construction projects

☐ Applicable ☒ Not applicable

Explanation of changes in the use of proceeds from foregoing bonds offering within the Reporting Period

☐ Applicable ☒ Not applicable

Other explanation:

☐ Applicable ☒ Not applicable

5. Adjustment to credit rating results

☐ Applicable ☒ Not applicable

Other explanation:

☐ Applicable ☒ Not applicable

6. Implementation and variations of guarantees, debt repayment plans and other debt repayment guarantee measures during the reporting period and their impacts

☐ Applicable ☒ Not applicable

7. Description of other non-financial corporate debt financing instruments

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable



SECTION XI PARTICULARS OF BONDS

(VIII) The impact of violations of laws and regulations, the Articles of Association, information disclosure affairs management system and the stipulations or commitments in the Prospectus during the Reporting Period on the rights and interests of bond investors

☐ Applicable ☒ Not applicable

(IX) Accounting data and financial indicators of the Company for the past 2 years as of the end of the Reporting Period

☐ Applicable ☒ Not applicable

(Expressed in RMB'000)

Key indicators	2024	2023	Change for the period as compared with that of the same period of last year (%)
Net profit attributable to shareholders of the listed company, net of non-recurring gain or loss	-129,192	-3,010,338	N/A
Current ratio	1.3	1.20	8.33
Quick ratio	1.21	1.11	9.01
Asset-liability ratio (%)	78.52	82.28	-3.76
EBITDA to total debt ratio	3.19%	N/A	N/A
Interest coverage multiple	2.30	N/A	N/A
Cash interest coverage multiple	N/A	1.81	N/A
EBITDA interest coverage multiple	3.07	N/A	N/A
Loan repayment rate (%)	100	100	0.00
Interest coverage ratio (%)	100	100	0.00

II. CONVERTIBLE CORPORATE BONDS

☐ Applicable ☒ Not applicable



SECTION XII FINANCIAL REPORT



Grant Thornton
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Grant Thornton Zhitong Certified Public Accountants LLP

5/F Scitech Place, 22 Jianguomen Wai Avenue

Chaoyang District, Beijing, China 100004

Tel +86 10 8566 5588

Fax +86 10 8566 5120

Auditor's Report

GTCNSZ (2025) NO.110A006032

To the Shareholders of China Aluminum International Engineering Corporation Limited:

I. AUDIT OPINIONS

We have audited the financial statements of China Aluminum International Engineering Corporation Limited (hereinafter the "Company"), which comprise the consolidated and the company's statement of financial position as at 31 December 2024, and the consolidated and the company's income statements, consolidated and the company's statements of changes in equity and the consolidated and the company's cash flows statements for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying financial statements of the Company give a true and fair view, in all material respects, the consolidated and the company's financial position as at 31 December 2024, and its consolidated and the company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR AUDIT OPINIONS

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement Section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



SECTION XII FINANCIAL REPORT

III. KEY AUDIT MATTERS

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

(I) Revenue recognition on construction contracts

For details of the relevant disclosures, please refer to Note 3.27 and Note 5.48 to the financial statements.

1. Description of the matter

The revenue of the Company is mainly derived from engineering and construction contracting business, with revenue of RMB19,222,738 thousand in 2024, accounting for 80.08% of the Company's operating revenue. Per the management of the Company (the "Management"), the revenue is recognized during the contract period according to the expected total contract revenue and total contract costs based on the performance progress, which involves the Management's use of significant accounting estimates and judgments, such as the continuous and reasonable estimation of the expected total contract revenue and total contract cost throughout the contract period. Therefore, we identified it as a key audit matter.

2. Audit response

The project team performed the following main audit procedures on revenue recognition of EPC project general contracting and construction:

- (1) Understanding, assessing and testing the effectiveness of key internal controls in relation to EPC project general contracting and construction during the reporting period;
- (2) Checking on a sample basis, whether the expected total contract revenue and total contract costs are consistent with the project contract and cost budget that are based on; to assess whether the estimation made by the Management is reasonable and sufficient;
- (3) Examining the contract costs incurred during the reporting period by tracing to supporting documentation on a sample basis;



SECTION XII FINANCIAL REPORT

- (4) Recalculating the calculation accuracy on performance progress of construction operations;
- (5) Performing analytical review procedure on gross margin of major EPC project general contracting and construction between this year and prior year;
- (6) Sending confirmations together with accounting receivables to confirm the EPC project general contracting and construction was completed to ensure the accuracy and completeness of revenue recognized and cost recorded;
- (7) Visiting the selected samples of sites of construction projects to observe the progress of construction work, discussing with the site project managers the extent to which the construction work was completed, comparing to the performance progress in record, and making a further examination for unusual deviations if necessary;
- (8) Performed sampling tests on current-year fulfillment costs, verified against supporting documents including procurement contracts, material requisition records, and labor cost documentation, and conducted cut-off testing for fulfillment costs.

(II) Expected credit losses for accounts receivables and impairment provisions for contract assets

The related disclosures are detailed in Note 3.11,37 and Note 5.4,9 to the financial statements.

1. Description of the matter

As at 31 December 2024, the gross carrying amount of accounts receivable and contract assets of the Company was RMB20,893,257 thousand and RMB7,294,889 thousand respectively. Impairment accrued was RMB3,978,455 thousand and RMB1,359,994 thousand respectively.

The provisions for expected credit losses on accounts receivable and impairment provisions for contract assets involve significant estimates and judgments made by the Management and are of significant importance to the overall financial statements. Therefore, we consider the provision for expected credit impairment losses on accounts receivable and impairment provisions for contract assets as a key audit matter.



SECTION XII FINANCIAL REPORT

2. Audit response

The audit team performed the following key audit procedures regarding the recognition of expected credit losses for accounts receivable and impairment provisions for contract assets:

- (1) Understanding, evaluating, and testing the design and operational effectiveness of key internal controls relating to credit impairment losses on accounts receivable and provision for impairment of contract assets;
- (2) Evaluate the reasonableness of management's portfolio grouping and the expected credit loss (ECL) rate model, which applies a migration rate approach based on credit risk characteristics to determine ECL rates for accounts receivable and contract assets;
- (3) For accounts receivable and contract assets individually assessed for expected credit losses and impairment provisions, reviewing the supporting documentation and reasonableness of the Management's evaluation of the expected future cash flows based on the customer's financial and credit status, historical payment rates, and predictions of future economic conditions on a sample basis;
- (4) Review the accuracy of the aging analysis of accounts receivable and contract assets;
- (5) Evaluating the changes in accounting estimate for the impairment provision of contract assets, calculating the difference between the impairment provision before and after the change, understanding the reasons for the change and reviewing the adequacy and appropriateness of the disclosure of the changes in accounting estimate.



SECTION XII FINANCIAL REPORT

IV. OTHER INFORMATION

The management of the Company is responsible for the other information. The other information comprises the information included in the 2024 Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation of the financial statements that give a true and fair view and fair presentation in accordance with Accounting Standards for Business Enterprises, and for such internal control as the Management determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



SECTION XII FINANCIAL REPORT

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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



SECTION XII FINANCIAL REPORT

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

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

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

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

Grant Thornton Zhitong
Certified Public Accountants LLP

PRC Certified Public Accountant HUANG Zhibin
(engagement partner)

PRC Certified Public Accountant LI Yang
(engagement partner)

**SECTION XII FINANCIAL REPORT****CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2024

Prepared by: China Aluminum International Engineering Corporation Limited Expressed in thousands of RMB

Item	Notes	As at 31 December 2024	As at 31 December 2023
Current assets:			
Cash and cash equivalents	5.1	3,948,297	4,061,290
Held-for-trading financial assets	5.2		700,506
Bills receivable	5.3	360,418	223,057
Accounts receivable	5.4	16,914,802	15,114,750
Financing receivables	5.5	321,003	453,487
Prepayments	5.6	414,725	509,994
Other receivables	5.7	1,105,697	1,352,121
Including: Interests receivable	5.7	6,440	4,830
Dividends receivable	5.7	4,429	21,462
Inventories	5.8	2,329,202	2,229,446
Contract assets	5.9	5,934,895	6,721,256
Non-current assets due within one year	5.10	347,179	171,605
Other current assets	5.11	796,743	578,468
Total current assets		32,472,961	32,115,980
Non-current assets:			
Long-term receivables	5.12	1,450,630	1,680,909
Long-term equity investments	5.13	740,328	754,306
Other equity instrument investments	5.14	43,160	49,248
Investment properties	5.15	995,846	766,966
Fixed assets	5.16	2,398,697	2,409,495
Construction in progress	5.17	49,873	76,590
Right-of-use assets	5.18	39,087	39,680
Intangible assets	5.19	1,327,693	1,314,681
Development costs	5.20	4,661	4,716
Goodwill	5.21	875	875
Long-term deferred expenses	5.22	44,560	33,689
Deferred tax assets	5.23	1,213,795	1,205,680
Other non-current assets	5.24	374,361	490,988
Total non-current assets		8,683,566	8,827,823
Total assets		41,156,527	40,943,803



SECTION XII FINANCIAL REPORT

Item	Notes	As at 31 December 2024	As at 31 December 2023
Current liabilities:			
Short-term loans	5.25	984,379	1,343,848
Bills payable	5.26	3,343,445	3,837,044
Accounts payable	5.27	10,324,240	12,552,196
Receipts in advance	5.28	3,651	1,613
Contract liabilities	5.29	4,558,531	4,137,373
Employee compensation payables	5.30	135,985	234,078
Taxes payable	5.31	224,883	163,013
Other payables	5.32	1,530,756	1,539,677
Including: Interests payable		—	—
Dividends payable		24,095	31,201
Non-current liabilities due within one year	5.33	2,016,841	1,424,748
Other current liabilities	5.34	1,715,960	1,576,228
Total current liabilities		24,838,671	26,809,818
Non-current liabilities:			
Long-term loans	5.35	6,794,324	6,179,831
Lease liabilities	5.36	28,078	26,128
Long-term payables	5.37	—	1,069
Long-term employee compensation payables	5.38	517,251	521,152
Deferred income	5.39	62,482	79,662
Deferred tax liabilities	5.23	70,656	71,643
Total non-current liabilities		7,472,791	6,879,485
Total liabilities		32,311,462	33,689,303

**SECTION XII FINANCIAL REPORT**

Item	Notes	As at 31 December 2024	As at 31 December 2023
Shareholders' equity:			
Share capital	5.40	2,985,836	2,959,067
Other equity instruments	5.41	3,764,520	4,741,920
Including: Perpetual bonds		3,764,520	4,741,920
Capital reserves	5.42	1,424,263	898,789
Less: treasury shares	5.43	63,443	—
Other comprehensive income	5.44	102,452	152,900
Special reserve	5.45	267,716	218,980
Surplus reserve	5.46	229,735	229,735
Retained Earnings	5.47	-2,128,670	-2,184,850
Equity attributable to owners of the parent		6,582,409	7,016,541
Non-controlling interests		2,262,656	237,959
Total shareholders' equity		8,845,065	7,254,500
Total liabilities and shareholders' equity		41,156,527	40,943,803

Legal Representative:
LI Yihua

Chief Financial Officer:
ZHAO Hongmei

Head of Accounting Department:
CAO Duolin



SECTION XII FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION OF THE PARENT

As at 31 December 2024

Prepared by: China Aluminum International Engineering Corporation Limited Expressed in thousands of RMB

Item	Notes	As at 31 December 2024	As at 31 December 2023
Current assets:			
Cash and cash equivalents		1,936,581	2,015,895
Held-for-trading financial assets			700,506
Bills receivable		2,650	
Accounts receivable	15.1	1,346,959	1,305,360
Financing receivables		26,769	35,923
Prepayments		164,486	208,265
Other receivables	15.2	7,246,160	5,715,378
Including: Interests receivable	15.2	356,888	356,888
Dividends receivable	15.2	502,313	786,857
Inventories		15,394	2,154
Contract assets		129,486	282,873
Non-current assets due within one year		184,672	330,798
Other current assets		156,938	201,133
Total current assets		11,210,095	10,798,285
Non-current assets:			
Long-term receivables		2,130,143	2,130,358
Long-term equity investments	15.3	8,976,244	8,523,097
Investment properties		10,611	
Fixed assets		126,953	133,576
Intangible assets		116,700	123,185
Development costs		3,823	3,823
Long-term deferred expenses			
Deferred tax assets		116,171	117,535
Total non-current assets		11,480,645	11,031,574
Total assets		22,690,740	21,829,859

**SECTION XII FINANCIAL REPORT**

Item	Notes	As at 31 December 2024	As at 31 December 2023
Current liabilities:			
Short-term loans		860,000	880,000
Bills payable		472,858	626,231
Accounts payable		1,399,740	1,662,346
Contract liabilities		950,457	882,994
Employee compensation payables		3,424	17,317
Taxes payable		26,649	13,704
Other payables		6,257,596	3,556,410
Including: Dividends payable		21,686	28,792
Non-current liabilities due within one year		1,232,429	1,257,500
Other current liabilities		2,445	1,823
Total current liabilities		11,205,598	8,898,325
Non-current liabilities:			
Long-term loans		3,785,000	4,083,018
Long-term employee compensation payables		3,638	3,496
Total non-current liabilities		3,788,638	4,086,514
Total liabilities		14,994,236	12,984,839



SECTION XII FINANCIAL REPORT

Item	Notes	As at 31 December 2024	As at 31 December 2023
Share capital		2,985,836	2,959,067
Other equity instruments		3,764,520	4,741,920
Including: Perpetual bonds		3,764,520	4,741,920
Capital reserves		1,158,387	1,133,916
Less: treasury shares		63,443	
Other comprehensive income		12,368	12,328
Special reserve		45	4
Surplus reserve		229,735	229,735
Retained Earnings		-390,944	-231,950
Total shareholders' equity		7,696,504	8,845,020
Total liabilities and shareholders' equity		22,690,740	21,829,859

Legal Representative:
LI Yihua

Chief Financial Officer:
ZHAO Hongmei

Head of Accounting Department:
CAO Duolin

**SECTION XII FINANCIAL REPORT****CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2024

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Notes	Year ended 31/12/2024	Year ended 31/12/2023
I. Operating revenue	5.48	24,003,255	22,337,171
Less: Operating costs	5.48	21,072,860	20,379,851
Taxes and surcharges	5.49	104,902	115,686
Selling and distribution expenses	5.50	133,158	141,094
General and administrative expenses	5.51	987,166	1,134,733
Research and development expenses	5.52	961,032	943,309
Finance expenses	5.53	194,319	259,262
Including: Interest expenses		349,861	399,698
Interest income		120,962	136,495
Add: Other income	5.54	8,690	3,831
Investment income	5.55	23,339	38,452
Gains from changes in fair value	5.56	4,844	506
Impairment of credit losses	5.57	-249,402	-519,566
Impairment losses on assets	5.58	1,375	-1,834,840
Gains from assets disposal	5.59	103	-1,967
II. Operating profit/(losses)		338,767	-2,950,348
Add: Non-operating income	5.60	167,261	33,215
Less: Non-operating expenses	5.61	69,129	27,764
III. Profit/(losses) before income tax		436,899	-2,944,897
Less: Income tax expenses	5.62	168,592	-110,871
IV. Net profit/(losses) for the year		268,307	-2,834,026
(1) Classification according to operation continuity			
Including: Net profit/(losses) from continuing operations		268,307	-2,834,026
Net profit/(losses) from discontinued operations			
(2) Classification according to ownership			
Including: Shareholders of the company		221,177	-2,657,963
Non-controlling interests		47,130	-176,063



SECTION XII FINANCIAL REPORT

Item	Notes	Year ended 31/12/2024	Year ended 31/12/2023
V. Other comprehensive income, net of tax		-54,742	-16,535
Other comprehensive income/(losses) (net of tax) attributable to shareholders of the company	5.44	-50,448	-17,171
(1) Other comprehensive income/(losses) that will not be reclassified to profit or losses		-43,740	-9,687
a. Remeasurement gains or losses of a defined benefit plan		-39,283	-2,996
b. Other comprehensive income using the equity method that will not be reclassified to profit or loss			
c. Changes in fair value of other equity instrument investments		-4,457	-6,691
(2) Other comprehensive income/(losses) to be reclassified to profit or losses		-6,708	-7,484
a. Translation differences arising from translation of foreign currency financial statements		-6,708	-7,484
Other comprehensive income/(losses) (net of tax) attributable to non-controlling interests		-4,294	636
VI. Total comprehensive income		213,565	-2,850,561
Attributable to: Total comprehensive income attributable to owners of the parent		170,729	-2,675,134
Total comprehensive income attributable to non-controlling interests		42,836	-175,427
VII. Earnings per share			
(1) Basic earnings per share	16.2	0.0190	-0.8982
(2) Diluted earnings per share		0.0188	-0.8982

Legal Representative:
LI Yihua

Chief Financial Officer:
ZHAO Hongmei

Head of Accounting Department:
CAO Duolin

**SECTION XII FINANCIAL REPORT****INCOME STATEMENT OF THE PARENT**

For the year ended 31 December 2024

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Notes	Year ended 31/12/2024	Year ended 31/12/2023
I. Operating revenue	15.4	1,436,812	1,994,902
Less: Operating costs	15.4	1,093,915	1,827,778
Taxes and surcharges		5,585	7,777
Selling and distribution expenses		33,885	47,017
General and administrative expenses		166,496	195,908
Research and development expenses		64,726	68,351
Finance expenses		218,247	242,018
Add: Other income		140	567
Investment income	15.5	251,769	402,452
Including: Income from investment in associates and joint ventures		12,921	14,440
Gains from changes in fair value (“-” for losses)		4,844	506
Impairment of credit losses		-33,398	117,199
Impairment losses/(reversals) on assets		4,458	-88,426
Gains from assets disposal		38	47
II. Operating profit/(losses)		81,809	38,398
Add: Non-operating income		7,612	1,468
Less: Non-operating expenses		308	230
III. Profit/(losses) before income tax		89,113	39,636
Less: Income tax expenses		83,110	18,425
IV. Net profit/(losses) for the year		6,003	21,211
(1) Net profit/(losses) from continuing operations		6,003	21,211
(2) Net profit/(losses) from discontinued operations			



SECTION XII FINANCIAL REPORT

Item	Notes	Year ended 31/12/2024	Year ended 31/12/2023
V. Other comprehensive income, net of tax		41	118
(1) Other comprehensive income that will not be reclassified to profit or loss		41	118
a. Remeasurement gains or losses of a defined benefit plan		41	118
b. Changes in fair value of other equity instrument investments			
(2) Other comprehensive income to be reclassified to profit or loss			
a. Translation differences arising from translation of foreign currency financial statements			
VI. Total comprehensive income		6,044	21,329
VII. Earnings per share			
(1) Basic earnings per share			
(2) Diluted earnings per share			

Legal Representative:
LI Yihua

Chief Financial Officer:
ZHAO Hongmei

Head of Accounting Department:
CAO Duolin

**SECTION XII FINANCIAL REPORT****CONSOLIDATED STATEMENT OF CASH FLOW**

For the year ended 31 December 2024

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Notes	Year ended 31/12/2024	Year ended 31/12/2023
I. Cash flows from operating activities			
Proceeds from sales of goods or rendering of services		21,048,690	22,071,210
Refund of taxes		82,162	91,265
Proceeds from other operating activities	5.63	439,804	180,027
Sub-total of cash inflows		21,570,656	22,342,502
Payment for goods and services		20,583,413	17,473,268
Payment to and for employees		2,466,675	2,587,356
Payments of various taxes		634,606	814,720
Payment for other operating activities	5.63	580,280	744,493
Sub-total of cash outflows		24,264,974	21,619,837
Net cash flows from operating activities	5.64	-2,694,318	722,665
II. Cash flows from investing activities			
Proceeds from disposal of investments		700,800	
Investment income received		41,950	8,923
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		2,252	21,479
Net proceeds from disposal of subsidiaries and other business units		2,969	815,776
Proceeds from other investing activities			
Sub-total of cash inflows		747,971	846,178
Payment for acquisition of fixed assets, intangible assets and other long-term assets		80,597	51,581
Payment for acquisition of investments			700,000
Net payment for acquisition of subsidiaries and other business units			
Payment for other investing activities		4,985	
Sub-total of cash outflows		85,582	751,581
Net cash flows from investing activities		662,389	94,597



SECTION XII FINANCIAL REPORT

Item	Notes	Year ended 31/12/2024	Year ended 31/12/2023
III. Cash flows from financing activities			
Proceeds from investors		2,553,443	
Including: Proceeds from non-controlling shareholders of subsidiaries		2,490,000	
Proceeds from borrowings		8,025,500	7,366,040
Proceeds from other financing activities	5.63		2,800,000
Sub-total of cash inflows		10,578,943	10,166,040
Repayments of borrowings		7,152,560	10,996,141
Payment for dividends, profit distributions or interest		544,589	576,714
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		2,474	1,475
Repayments of perpetual bonds		1,000,000	2,960,710
Payment for other financing activities	5.63	45,869	44,764
Sub-total of cash outflows		8,743,018	14,578,329
Net cash flows from financing activities		1,835,925	-4,412,289
IV. Effect of foreign exchange rate changes on cash and cash equivalents		23,348	77,267
V. Net increase/(decrease) in cash and cash equivalents	5.64	-172,656	-3,517,760
Add: Cash and cash equivalents at the beginning of the year	5.64	3,339,604	6,857,364
VI. Cash and cash equivalent at the end of the period	5.64	3,166,948	3,339,604

Legal Representative:
LI Yihua

Chief Financial Officer:
ZHAO Hongmei

Head of Accounting Department:
CAO Duolin



SECTION XII FINANCIAL REPORT

STATEMENT OF CASH FLOW OF THE PARENT

For the year ended 31 December 2024

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Year ended 31/12/2024	Year ended 31/12/2023
I. Cash flows from operating activities		
Proceeds from sales of goods or rendering of services	1,530,715	1,729,207
Refund of taxes	950	37,655
Proceeds from other operating activities	933,595	645,045
Sub-total of cash inflows	2,465,260	2,411,907
Payment for goods and services	1,324,940	1,439,632
Payment to and for employees	300,076	326,394
Payments of various taxes	50,215	40,259
Payment for other operating activities	728,797	590,830
Sub-total of cash outflows	2,404,028	2,397,115
Net cash flows from operating activities	61,232	14,792
II. Cash flows from investing activities		
Proceeds from disposal of investments	4,519,626	4,011,884
Investment income received	435,245	128,572
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	3	162
Net proceeds from disposal of subsidiaries and other business units		68,137
Proceeds from other investing activities		96,943
Sub-total of cash inflows	4,954,874	4,305,698
Payment for acquisition of fixed assets, intangible assets and other long-term assets	386	2,182
Payment for acquisition of investments	6,713,200	6,134,252
Net payment for acquisition of subsidiaries and other business units	71	
Payment for other investing activities	251,290	424,234
Sub-total of cash outflows	6,964,947	6,560,668
Net cash flows from investing activities	-2,010,073	-2,254,970



SECTION XII FINANCIAL REPORT

Item	Year ended 31/12/2024	Year ended 31/12/2023
III. Cash flows from financing activities		
Proceeds from investors	63,443	
Proceeds from borrowings	5,140,000	4,360,000
Proceeds from other financing activities	2,650,322	4,586,368
Sub-total of cash inflows	7,853,765	8,946,368
Repayments of borrowings	5,480,000	6,889,032
Payment for dividends, profit distributions or interest	402,012	365,949
Repayments of perpetual bonds	1,000,000	500,000
Payment for other financing activities	41,131	35,091
Sub-total of cash outflows	6,923,143	7,790,072
Net cash flows from financing activities	930,622	1,156,296
IV. Effect of foreign exchange rate changes on cash and cash equivalents	16,013	-561
V. Net increase/(decrease) in cash and cash equivalents	-1,002,206	-1,084,443
Add: Cash and cash equivalents at the beginning of the year	1,995,316	3,079,759
VI. Cash and cash equivalent at the end of the period	993,110	1,995,316

Legal Representative:
LI Yihua

Chief Financial Officer:
ZHAO Hongmei

Head of Accounting Department:
CAO Duolin



SECTION XII FINANCIAL REPORT

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2024

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Year ended 31/12/2024												
	Equity attributable to owners of the parent									Non-controlling interests	Total shareholders' equity		
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve			Retained Earnings	Sub-total
		Preference shares	Perpetual bonds	Others									
I. Balance at the end of previous year	2,959,067		4,741,920		898,789		152,900	218,980	229,735	-2,184,850	7,016,541	237,959	7,254,500
Add: Changes in accounting policies													
Correction of prior period errors													
Business combination under common control													
Others													
II. Balance at the beginning of the year	2,959,067		4,741,920		898,789		152,900	218,980	229,735	-2,184,850	7,016,541	237,959	7,254,500
III. Changes in equity during the period ("=" for decrease)	26,769		-977,400		525,474	63,443	-50,448	48,736		56,180	-434,132	2,024,697	1,590,565
(I) Total comprehensive income							-50,448			221,177	170,729	42,836	213,565
(II) Shareholders' contributions and decrease of capital	26,769		-1,000,000		548,074	63,443					-488,600	1,984,948	1,496,348
1. Contribution by ordinary shareholders	26,769				36,674						63,443	2,490,000	2,553,443
2. Contribution by other equity instrument investors			-1,000,000								-1,000,000		-1,000,000
3. Amounts of share-based payments recognized in equity													
4. Others					10,397				10,397				10,397
(III) Profit distribution			22,600		501,003	63,443				-164,997	437,560	-505,062	-67,492
1. Appropriation to surplus reserves					-22,600						-164,997	-2,474	-167,471
2. Appropriation to general reserve													
3. Distribution to shareholders													
4. Others			22,600							-164,997			
(IV) Transfer within equity					-22,600					-164,997			
1. Capital reserves converted to share capital													
2. Surplus reserves converted to share capital													
3. Loss made up by surplus reserves													
4. Changes in the defined benefit plan transferred to retained earnings													
5. Other comprehensive income transferred to retained earnings													
6. Others													
(V) Special Reserve								48,736			48,736	-613	48,123
1. Appropriation during the period								372,066			372,066	33,615	405,681
2. Utilisation during the period								-323,330			-323,330	-34,228	-57,558
Others													
(VI) Balance at the end of the period	2,985,836		3,764,520		1,424,263	63,443	102,452	267,716	229,735	-2,128,670	6,582,409	2,282,556	8,845,065

SECTION XII FINANCIAL REPORT

Item	Year ended 31/12/2023											Total shareholders' equity
	Equity attributable to owners of the parent										Non-controlling interests	
	Share capital	Other equity instruments			Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained Earnings	Sub-total		
		Preference shares	Perpetual debts	Others								
I.	Balance at the end of previous year	2,950,067		2,493,685	919,257	170,071	219,378	229,735	599,235	7,530,428	2,925,560	10,455,988
Add:	Changes in accounting policies											
	Correction of prior period errors											
	Business combination under common control											
	Others											
II.	Balance at the beginning of the year	2,950,067		2,493,685	919,257	170,071	219,378	229,735	599,235	7,530,428	2,925,560	10,455,988
III.	Changes in equity during the period ("-" for decrease)			2,308,235	-20,468	-17,171	-398		-2,784,085	-513,887	-2,687,601	-3,201,488
(I)	Total comprehensive income					-17,171			-2,657,963	-2,675,134	-175,427	-2,850,561
(II)	Shareholders' contributions and decrease of capital			2,308,235	-20,468					2,287,767	-2,460,710	-172,943
	1. Contribution by ordinary shareholders											
	2. Contribution by other equity instrument investors			2,295,520						2,295,520	-2,460,710	-165,190
	3. Amounts of share-based payments recognized in equity											
	4. Others			12,715	-20,468				-126,122	-7753	-55,760	-7,753
(III)	Profit distribution											
	1. Appropriation to surplus reserves											
	2. Appropriation to general reserve											
	3. Distribution to shareholders											
	4. Others											
(IV) Transfer within equity												
	1. Capital reserves converted to share capital											
	2. Surplus reserves converted to share capital											
	3. Loss made up by surplus reserves											
	4. Changes in the defined benefit plan transferred to retained earnings											
	5. Other comprehensive income transferred to retained earnings											
	6. Others											
(V) Special Reserve												
	1. Appropriation during the period						-398			-398	4,296	3,898
	2. Utilisation during the period						219,549			219,549	26,925	246,474
(VI) Others							-219,947			-219,947	-22,629	-242,576
IV.	Balance at the end of the period	2,950,067		4,741,920	898,789	152,900	218,980	229,735	-2,184,850	7,016,541	237,959	7,254,500



SECTION XII FINANCIAL REPORT

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT

For the year ended 31 December 2024

Expressed in thousands of RMB

Prepared by: China Aluminum International Engineering Corporation Limited

Item	Share capital	Other equity instruments			Capital reserve	Year ended 31/12/2024			Surplus reserve	Retained Earnings	Total shareholders' equity
		Preference shares	Perpetual bonds	Others		Less: treasury shares	Other comprehensive income	Special reserve			
I. Balance at the end of previous year	2,959,067		4,741,920		1,133,916		12,328	4	223,735	-231,950	8,845,020
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	2,959,067		4,741,920		1,133,916		12,328	4	223,735	-231,950	8,845,020
III. Changes in equity during the period ^{(a) + (b)} for decrease)	26,769		-977,400		24,471	63,443	40	41		-158,994	-1,148,516
(I) Total comprehensive income							40			6,003	6,043
(II) Shareholders' contributions and decrease of capital	26,769		-1,000,000		47,071	63,443					-988,603
1. Contribution by ordinary shareholders	26,769				36,674						63,443
2. Contribution by other equity instrument investors			-1,000,000								-1,000,000
3. Amounts of share-based payments recognized in equity											
4. Others					10,397	63,443					10,397
(III) Profit distribution			22,600		-22,600					-164,997	-164,997
1. Appropriation to surplus reserves											
2. Appropriation to general reserve											
3. Distribution to shareholders											
4. Others			22,600		-22,600						
(IV) Transfer within equity			22,600		-22,600						
1. Capital reserves converted to share capital											
2. Surplus reserves converted to share capital											
3. Loss made up by surplus reserves											
4. Changes in the defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special Reserve								41			41
1. Appropriation during the period								251			251
2. Utilisation during the period								-210			-210
(VI) Others											
IV. Balance at the end of the period	2,985,836		3,764,520		1,158,387	63,443	12,368	45	223,735	-390,944	7,695,504



SECTION XII FINANCIAL REPORT

Item	Year ended 31/12/2023						Total shareholders' equity
	Share capital	Other equity instruments		Capital reserve	Other comprehensive income	Special reserve	
		Preference shares	Perpetual debits				
I. Balance at the end of previous year	2,959,067		2,433,685	1,146,631	12,210	33	6,654,322
Add: Changes in accounting policies							
Correction of prior period errors							
Others							
II. Balance at the beginning of the year	2,959,067		2,433,685	1,146,631	12,210	33	6,654,322
III. Changes in equity during the period("+" for decrease)			2,308,235	-12,715	118	-29	2,190,698
(I) Total comprehensive income					118		21,329
(II) Shareholders' contributions and decrease of capital			2,295,520				2,295,520
1. Contribution by ordinary shareholders							
2. Contribution by other equity instrument investors							
3. Amounts of share-based payments recognized in equity			2,295,520				2,295,520
4. Others							
(III) Profit distribution			12,715	-12,715			-126,122
1. Appropriation to surplus reserves							
2. Appropriation to general reserve							
3. Distribution to shareholders							
4. Others			12,715	-12,715			-126,122
(IV) Transfer within equity							
1. Capital reserves converted to share capital							
2. Surplus reserves converted to share capital							
3. Loss made up by surplus reserves							
4. Changes in the defined benefit plan transferred to retained earnings							
5. Other comprehensive income transferred to retained earnings							
6. Others							
(V) Special Reserve						-29	-29
1. Appropriation during the period						539	539
2. Utilisation during the period						-568	-568
(VI) Others							
IV. Balance at the end of the period	2,959,067		4,741,920	1,133,916	12,328	4	8,845,020



SECTION XII FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Company's profile

China Aluminum International Engineering Corporation Limited (hereinafter referred to as 'Chalieco' or 'the Company'), formerly known as China Aluminum International Engineering Co., Ltd., was established on 16 December 2003 with a capital contribution of RMB200,000,000 from Aluminum Corporation of China (hereinafter referred to as 'China Aluminum Group') and China Aluminum International Trade Co., Ltd. (hereinafter referred to as "China Aluminum International Trade"), with China Aluminum Group and China Aluminum International Trade holding 95% and 5% equity in Chalieco respectively.

In December 2010, China Aluminum International Trade transferred its 5% equity in the Company to China Aluminum Group, whereupon Chalieco became a wholly-owned subsidiary of China Aluminum Group.

Chalieco was reorganized in 2011 and was incorporated as a joint stock company in Beijing in June 2011 with a registered capital of RMB2,300,000,000.

In July 2012, Chalieco offered 363,160,000 shares (H shares) to overseas investors on the main board of the Stock Exchange. The stock abbreviation is 'Chalieco' and the stock code is '2068'. In H share offering, under relevant approval, China Aluminum Group and Luoyang Institute converted their 36,316,000 state-owned domestic shares, equivalent to 10% of the number of H shares under public offering, into H shares on a 1:1 basis and transferred them to the National Council of Social Security Funds on the day of listing. Upon consummation of the above offering, the total share capital increased to RMB2,663,160,000.

As approved by the Approval in Relation to the Initial Public Offering of Shares by China Aluminum International Engineering Corporation Limited (Zheng Jian Xu Ke [2018] No. 934) issued by the China Securities Regulatory Commission, the stock abbreviation is 'Chalieco' and the stock code is '601068'. On 27 August 2018, the Company issued 295,906,667 ordinary shares in Renminbi to the public (at a face value of RMB1 per share), increasing its registered capital by RMB295,906,667. The enlarged registered capital is RMB2,959,066,667.



SECTION XII FINANCIAL REPORT

1. GENERAL INFORMATION (CONTINUED)

1.1 Company's profile (Continued)

Approved by the Company's shareholders' meeting and authorized by relevant State Council authorities, the Company completed the registration of new shares under the 2023 Restricted Share Incentive Plan in July 2024. Following this issuance, the Company's shareholding structure is as follows: Chinalco Group holds 2,176,758,534 shares (72.90%), Luoyang Institute holds 86,925,466 shares (2.91%), H-shareholders (listed overseas) hold 399,476,000 shares (13.38%), domestic A-shareholders (excluding Chinalco Group and Luoyang Institute) with unrestricted sale conditions hold 295,906,667 shares (9.91%), and domestic A-shareholders (excluding Chinalco Group and Luoyang Institute) with restricted sale conditions hold 26,769,600 shares (0.90%). Upon completion of the share issuance, the Company's registered capital was updated to RMB2,985,836,267.00.

Chalieco's registered address is Building C, No. 99 Xingshikou Road, Haidian District, Beijing, PRC, with a unified social credit code of 911100007109323200.

The Company and its subsidiaries are principally engaged in construction business.

Chalieco's business scope includes engineering technology and design consulting, engineering construction and installation, equipment manufacturing, and trade business.

The ultimate controller of Chalieco is Aluminum Corporation of China.

The Company's and consolidated financial statements and the notes to financial statements have been approved by the 4th Board of Directors in the 26th board meeting on 28 March 2025.

2. BASIS OF PREPARATION

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and corresponding application guidance, interpretations and other related provisions issued by the Ministry of Finance (collectively, "ASBEs"). In addition, the Company discloses relevant financial information in accordance with 'Compilation Rules for Information Disclosure of Companies that Offer Securities to the Public No. 15 – General Provisions on Financial Reporting' (revised in 2023) issued by China Securities Regulatory Commission.

The financial statements of the Company have been prepared on going concern basis.

The Company adopts the accrual basis of accounting. Except for certain financial instruments, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

3.1 Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely present the Company's (and consolidated) financial position as at 31 December 2024 and the Company's (and consolidated) operating results and cash flows for the period from January to December 2024.

3.2 Accounting Period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

3.3 Operating cycle

The Company takes a 12-month year as a usual operating cycle.

3.4 Functional currency

The Company and domestic subsidiaries use Renminbi ("RMB") as their functional currency. Offshore subsidiaries determine their functional currency according to the primary economic environment where they operate. The financial statements of the Company have been prepared in RMB.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.5 Methodology for determining materiality criteria and basis for selection

Item	Materiality criteria
Material receivables with impairment of credit losses on an individual basis	Impairment of credit losses exceeding 1% of net assets
Material receivables written-off in the current period	More than 10 million RMB
Material impairment of credit losses recovered or reversed	More than 20 million RMB
Material prepayments with aging more than 1 year	More than 10 million RMB
Material construction in progress	More than 10 million RMB
Material associates	More than 50 million RMB
Material subsidiaries	The subsidiary's total assets account for the group's total assets by over 5%
Material contract liabilities with aging more than 1 year	More than 10 million RMB
Material other receivables with aging more than 1 year	More than 10 million RMB
Material litigation	More than 50 million RMB



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.6 Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control

3.6.1 Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings.

Business combinations under the same control are achieved through multiple transactions

In the consolidated financial statements, the assets and liabilities of the acquiree obtained by the acquirer during the combination are measured at their carrying amounts in the ultimately controlling party's consolidated financial statements on the acquisition date. The difference between the sum of the carrying amount of the investment held before the combination and the carrying amount of the newly paid consideration on the acquisition date and the carrying amount of the net assets obtained in the combination shall be adjusted to the capital reserve. If the capital reserve is insufficient to offset, retained earnings shall be adjusted. For the long-term equity investment held by the acquirer before obtaining the control right of the acquiree, the relevant profits and losses, other comprehensive income and other changes in owner's equity that have been recognized from the later date between the date of obtaining the original equity and the date when the acquirer and the acquiree are under the same party's ultimately control to the acquisition date, shall be offset against the opening retained earnings or current profits and losses during the comparative statement period.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.6 Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control (Continued)

3.6.2 Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair value of assets transferred, liabilities incurred or assumed and equity securities issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value. The acquiree's identifiable assets, liabilities and contingent liabilities, are recognised at their acquisition-date fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, and subsequently measured on the basis of its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period after reassessment.

Business combinations not under the same control are achieved through multiple transactions

In the consolidated financial statements, the sum of the consideration paid on the acquisition date and the fair value of the acquiree's equity held before the acquisition date on the acquisition date shall be recognized as the acquisition cost. For the equity of the acquiree already held, it shall be remeasured at its fair value on the acquisition date, and the difference between the fair value and its carrying amount shall be included in the current investment income. The equity of the acquiree already held before the acquisition date involves other comprehensive income and changes in other owner's equity, which are converted into current income on the acquisition date, except for other comprehensive income generated by changes in net liabilities or net assets caused by the acquiree's remeasurement of the defined benefit plan.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.6 Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control (Continued)

3.6.3 Transaction costs for business combination

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt securities issued as the considerations of business combination are included in the initial recognition amount of the equity or debt securities.

3.7 Judgment criteria for control and consolidated financial statements

3.7.1 Judgment criteria for control

The scope of consolidated financial statements is based on control. Control exists when the Company has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. The Company will reassess when changes in relevant facts and circumstances result in changes to the relevant elements involved in the definition of control.

In determining whether to include a structured entity in the scope of consolidation, the Company evaluates whether to control the structured entity on the basis of a combination of all the facts and circumstances, including an assessment of the purpose and design for which the structured entity was established, the identification of the types of variable returns, and whether it assumes some or all of the variability of the returns through its participation in its related activities.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.7 Judgment criteria for control and consolidated financial statements (Continued)

3.7.2 Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. When preparing consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company, and all significant intra-company balances and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary or business are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries or business are included in the scope of consolidation from the date that control commences.

The portion of a subsidiary's equity that is not attributable to the parent is treated as non-controlling interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented separately in the consolidated income statement below the "net profit" line item. When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.7 Judgment criteria for control and consolidated financial statements (Continued)

3.7.3 Purchase of subsidiaries' non-controlling interests

The difference between the cost of long-term equity investment newly acquired due to the purchase of non-controlling interest and the share of net assets of the subsidiary continuously calculated from the purchase date or merger date according to the newly increased shareholding ratio, and the difference between the disposal price obtained as a result of partial disposal of the equity investment in the subsidiary without loss of control and the share of net assets continuously calculated since the purchase date or the merger date corresponding to the disposal of the long-term equity investment of the subsidiary, should be adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

3.7.4 Disposal of subsidiaries

When the Company loses control over a subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when the control is lost. A gain or loss is recognised in the current period and is calculated by the aggregate of consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of net assets in proportion to previous shareholding percentage in the former subsidiary since acquisition date and the goodwill.

Other comprehensive income related to the equity investment of the former subsidiary shall be accounted for on the same basis as the direct disposal of the relevant assets or liabilities of the former subsidiary at the time of loss of control, and other changes in owner's equity related to the former subsidiary under the equity method of accounting shall be transferred to current profit or loss at the time of loss of control.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.8 Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

3.8.1 Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items relating to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- A. Its solely-held assets, and its share of any assets held jointly;
- B. Its solely-assumed liabilities, and its share of any liabilities assumed jointly;
- C. Its revenue from the sale of its share of the output arising from the joint operation;
- D. Its share of the revenue from the sale of the output by the joint operation;
- E. Its solely-incurred expenses, and its share of any expenses incurred jointly.

3.8.2 Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Company adopts equity method under long-term equity investment in accounting for its investment in joint venture.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.9 Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

3.10 Foreign currency transactions and translation financial statements in foreign currency

3.10.1 Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Company at the spot exchange rates on the dates of the transactions.

On the balance sheet date, foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The exchange difference arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate upon initial recognition or the last balance sheet date will be recognised in profit or loss for the period. The foreign currency non-monetary items measured at historical cost shall still be measured by the functional currency translated at the spot exchange rate on the date of the transaction. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of determination of the fair value. The difference between the amounts of the functional currency before and after the translation will be recognised in profit or loss or other comprehensive income for the period based on the nature of the non-monetary items.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.10 Foreign currency transactions and translation financial statements in foreign currency (Continued)

3.10.2 Translation of financial statements denominated in foreign currency

When translating the financial statements denominated in foreign currency of overseas subsidiaries, assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; equity items except for “retained profit” are translated at the spot exchange rates at the dates on which such items arose.

Income and expenses items in the income statement are translated at the prevailing spot exchange rate on the transaction date.

All items in the cash flow statements shall be translated at the prevailing spot exchange rate on the date that the cash flow transaction occurred. Effects arising from changes of exchange rate on cash shall be presented separately as the “effect of foreign exchange rate changes on cash and cash equivalents” item in the cash flow statements.

The differences arising from translation of financial statements shall be included in the “other comprehensive income in shareholders’ equity in the balance sheet.

When a foreign operation is disposed of and control is lost, all or a proportionate share of the foreign-currency translation differences related to the foreign operation, as shown under shareholders’ equity in the balance sheet, are transferred to profit or loss for the period in which the foreign operation is disposed of.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or an equity instrument of another enterprise.

3.11.1 Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognized when the Company becomes one of the parties under a financial instrument contract.

Financial asset that satisfied any of the following criteria shall be derecognised:

- ① The contractual rights to receive the cash flows from the financial asset has terminated; or
- ① The financial asset has been transferred and meets the derecognition criteria for the transfer of financial asset as described below in “Transfer of financial assets”.

A financial liability (or a part thereof) is derecognised only when the present obligation is discharged in full or in part. If an agreement is entered between the Company (debtor) and a creditor to replace the existing financial liabilities with new financial liabilities, and the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities shall be derecognised and the new financial liabilities shall be recognised.

Conventionally traded financial assets shall be recognised and derecognised at the trading date.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets

The Company classifies financial assets according to the business model for managing the financial assets and characteristics of the contractual cash flows as follows: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value through profit or loss, the related transaction costs are directly recorded in current profit or loss; for other types of financial assets, related transaction costs are included in the initial recognition amount. For receivables arising from the sale of products or the provision of services that do not contain or take into account significant financing components, the amount of consideration that the Company is expected to be entitled to collect shall be the initial recognition amount.

Financial assets measured at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through profit or loss:

- The Company 's business model of managing the financial assets aims at collecting contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to the initial recognition, the effective interest rate method is adopted to measure the amortized cost of such financial assets. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship shall be recorded in the current profit or loss when the financial assets are derecognized, amortized according to the effective interest method or impaired.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated at fair value through profit or loss:

- The Company's business model of managing the financial asset aims at both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to the initial recognition, such financial assets are subsequently measured at fair value. The interest, impairment of credit losses or gain and exchange loss or gain calculated using the effective interest rate method are included in the current profit or loss, while other gains or losses are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred out from other comprehensive income and recorded in the current profit or loss.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through profit or loss

The Company classifies the financial assets other than those measured at amortised cost and measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss. Upon initial recognition, the Company irrevocably designates certain financial assets that are required to be measured at amortised cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatch.

Upon initial recognition, such financial assets are measured at fair value. Except for those held for hedging purposes, gains or losses (including interests and dividend income) arising from such financial assets are recognised in the profit or loss for the current period.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets determined by key management personnel.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through profit or loss (Continued)

The Company assesses the characteristics of contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specified dates are solely payments of principal and interest on the principal amount outstanding. The principal refers to the fair value of the financial assets at the initial recognition. Interest includes consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, costs and profits. In addition, the Company evaluates the contractual terms that may result in a change in the time distribution or amount of contractual cash flows from a financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model where the Company changes its business model for managing financial assets; otherwise, financial assets shall not be reclassified after initial recognition.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.3 Classification and measurement of financial liabilities

At initial recognition, financial liabilities of the Company are classified as: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. For financial liabilities not classified as measured at fair value through profit or loss, relevant transaction costs are included in the amount initially recognised.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss upon initial recognition. Such financial liabilities are subsequently measured at fair value, and the gains or losses from the change in fair value and the dividend or interest expenses related to the financial liabilities are included in the profit or loss of the current period.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, and the gains or losses arising from derecognition or amortisation are recognised in profit or loss for the current period.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.3 Classification and measurement of financial liabilities (Continued)

Financial guarantee contract

Financial guarantee contracts do not belong to financial liabilities measured at fair value through profit or loss. They are measured at fair value at initial recognition and are subsequently measured at the higher of the amount of the impairment of credit losses determined in accordance with the expected credit loss model and the amount initially recognized less the cumulative amortisation.

The distinction between financial liabilities and equity instruments

Financial liabilities refer to liabilities that meet one of the following conditions:

- ① A contractual obligation to pay in cash or other financial assets to other parties.
- ② A contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.
- ③ A non-derivative contract that has to be settled with or can be settled with the entity's own equity instruments in the future, under which the entity will deliver a variable number of its own equity instruments.
- ④ A derivative contract that has to be settled with or can be settled with the entity's own equity instruments in the future, except for a derivative contract in which a fixed number of its own equity instruments are to be exchanged for a fixed amount of cash or other financial assets.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.3 Classification and measurement of financial liabilities (Continued)

Financial guarantee contract (Continued)

An equity instrument is a contract that certifies ownership of the remaining interest in an entity's assets after all liabilities have been deducted.

If the Company cannot unconditionally avoid fulfilling a contractual obligation by paying cash or delivering other financial assets, such contractual obligation meets the definition of financial liabilities.

Where a financial instrument must or may be settled with the Company's own equity instruments, the Company's own equity instruments used to settle such instrument should be considered as to whether it is as a substitute for cash or other financial assets or for the purpose of enabling the holder of the instrument to be entitled to the remaining interest in the assets of the issuer after deducting all of its liabilities. For the former, it is a financial liability of the Company; for the latter, it is the Company's own equity instruments.

3.11.4 Fair value of financial instruments

For the determination of fair value of financial assets and financial liabilities, see Note 3.12.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets

On the basis of expected credit losses, the Company conducts impairment accounting treatment for the following items and recognises the allowance:

- Financial assets measured at amortized cost;
- Receivables and debt investments measured at fair value and accounted for in other comprehensive income;
- Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 – Revenue;
- Lease receivables;
- Financial guarantee contracts (except for financial assets measured at fair value through profit or loss, transfer of financial assets that do not meet the conditions for derecognition or those caused by continuing involvement in transferred financial assets).



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Measurement of expected credit losses

The term “expected credit losses”(ECLs) refers to the weighted average of the credit loss of a financial instrument weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows in accordance with the contract and all the cash flows expected to receive, discounted at the original effective interest rate, that is, the present value of all cash shortfalls.

The Company takes into account reasonable and well-founded information such as past events, current conditions and forecasts of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received weighted by the risk of default.

The Company measures ECLs of financial instruments at different stages. If the credit risk of the financial instrument did not increase significantly upon initial recognition, it is at the first stage, and the Company makes provision for impairment based on the ECLs within the next 12 months; if the credit risk of a financial instrument increased significantly upon initial recognition but has not yet incurred credit impairment, it is at the second stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument; if the financial instrument incurred credit impairment upon initial recognition, it is at the third stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument.

For financial instruments with low credit risk at the balance sheet date, the Company assumes that the credit risk has not increased significantly upon initial recognition, and makes provision for impairment based on the ECLs within the next 12 months.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Measurement of expected credit losses (Continued)

Lifetime ECLs represent the ECLs resulting from all possible default events over the expected life of a financial instrument. The 12-month ECLs are the ECLs resulting from possible default events on a financial instrument within 12 months (or a shorter period if the expected life of the financial instrument is less than 12 months) after the balance sheet date, and is a portion of lifetime ECLs.

The maximum period to be considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk, including renewal options.

The Company calculates interest income on the basis of the Gross carrying amount before impairment provisions and the effective interest rate for financial instruments at the first and second stages and with low credit risk. For financial instruments at the third stage, the interest income is calculated on the basis of the amortized cost of the Gross carrying amount less the impairment provision and the effective interest rate.

For bills receivable, accounts receivable, financing receivables, other receivables, contract assets, etc., if the credit risk characteristics of a customer are significantly different from those of other customers in the group, or the credit risk characteristics of such customer are significantly changed, the Company shall assess for impairment individually for such receivables. In addition to the receivables assessed for impairment individually, the Company divides the receivables into groups according to the credit risk characteristics and calculates the loss allowance on the basis of the group.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Accounts receivable and contract assets

For bills receivable, accounts receivable and contract assets, regardless of whether there is a material financing component, the Company always measures its loss allowance at an amount equal to lifetime expected credit losses.

When an individual financial asset or contract asset cannot assess the information of expected credit loss at a reasonable cost, the Company divides the bills receivable, accounts receivable and contract assets into groups according to the credit risk characteristics, calculates the expected credit losses based on the groups which are determined as follows:

- A. Bills receivable
 - Bills receivable group 1: banker's acceptance
 - Bills receivable group 2: commercial acceptance bills
- B. Accounts receivable
 - Accounts receivables group: aging group
- C. Contract assets
 - Contract assets group: aging group

For the bills receivable and contract assets divided into groups, the Company calculates the expected credit loss through default risk exposure and the lifetime expected credit loss rate by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic situation.

For the accounts receivable divided into groups, the Company refers to the historical credit loss experience and combines the current situation with the forecast of the future economic situation to compile a comparison table between the age of receivables/overdue days and the lifetime expected credit loss rate and to calculate the expected credit loss.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Other receivables

The Company divides other receivables into several groups according to the credit risk characteristics, and calculates the expected credit losses on the basis of the groups which are determined as follows:

- Other receivables group: aging group

For other receivables divided into groups, the Company calculates the expected credit losses by default risk exposure and the expected credit losses rate over the next 12 months or the entire duration.

Long-term receivables

The Company's long-term receivables include receivables of engineering and receivables of Quality guarantee deposit, etc.

According to the credit risk characteristics, the Company divides long term receivables into several groups. The expected credit loss is calculated on the basis of the groups which are determined as follows:

- Long-term receivables group: aging group

For receivables of engineering and receivables of Quality guarantee deposit, the Company refers to historic credit losses experience, combined with the current situation and forecast for the future economic situation, to calculate the expected credit losses by default risk exposure and the lifetime expected credit loss rate.

For other receivables beside mentioned above that are divided into groups, the expected credit losses are calculated by default risk exposure and the expected credit loss rate within the next 12 months or the entire duration.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Debt investment and other debt investment

For debt investment and other debt investment, the Company calculates the ECLs based on the default risk exposure and the ECLs rate within the next 12 months or the entire duration according to the nature of the investment and the various types of counterparties and risk exposures.

An assessment of a significant increase in credit risk

By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Company determines the relative change of default risk within the expected duration of financial instruments, so as to evaluate whether the credit risk of financial instruments has significantly increased since the initial recognition.

In determining whether credit risk has increased significantly since the initial recognition, the Company considers reasonable and supportable information, including forward-looking information that can be obtained without unnecessary additional cost or effort. Information considered by the Company includes:

- The debtor fails to pay the principal and interest as due under the contract;
- A material deterioration, if any, of the external or internal credit rating of the financial instrument that has occurred or is expected to occur;
- A serious deterioration of the debtor's business results occurred or is expected to occur;
- A change in the existing or anticipated technological, market, economic or legal environment which will have a material adverse effect on the debtor's ability to repay the Company.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

An assessment of a significant increase in credit risk (Continued)

According to the nature of financial instruments, the Company evaluates whether credit risk increases significantly on the basis of individual financial instruments or a group of financial instruments. When assessing on the basis of a group of financial instruments, the Company may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

If overdue for more than 30 days, the Company determines that the credit risk of the financial instrument has increased significantly.

Credit-impaired financial assets

On the balance sheet date, the Company evaluates whether credit impairment has occurred in financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income. When one or more events which have an adverse effect on the expected future cash flows of a financial asset occur, the financial asset becomes a credit-impaired financial asset. Evidence of credit impairment of financial assets includes the following observable information:

- Major financial difficulties occur to the issuer or the debtor;
- A breach of contract by the debtor, such as a default or late payment of interest or principal;
- The Company, for economic or contractual considerations relating to the debtor's financial difficulties, gives concessions that the debtor would not have made under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Presentation of ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortised cost, the provisions of impairment are deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Company makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-off

The Gross carrying amount of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

If a write-off of financial assets is subsequently recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.6 Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of financial assets to another party other than the issuer of such financial assets (the transferee).

If the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset shall be derecognised. If the Company retains substantially all the risks and rewards of ownership of a financial asset, the financial asset shall not be derecognised.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transaction as follows: if the Company does not retain control, it derecognises the financial asset and recognises any resulting assets or liabilities; if the control over the financial asset is not waived, the relevant financial asset is recognised according to the extent of its continuing involvement in the transferred financial asset and the relevant liability is recognised accordingly.

3.11.7 Offset of financial assets and financial liabilities

If the Company owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and the Company plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the relevant asset and liability at fair value, based on the presumption that the orderly transaction to sell the asset or transfer the liability takes place either in the principal market for the relevant asset or liability, or in the absence of a principal market, in the most advantageous market for relevant the asset or liability. The principal or the most advantageous market must be a trading market accessible by the Company at the measurement date. The Company adopts the presumption that market participants would use when pricing the asset or liability in their best economic interest.

If there exists an active market for a financial asset or financial liability, the Company uses the quotation on the active market as its fair value. If the market for a financial instrument is inactive, the Company uses valuation technique to recognise its fair value.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its best use or by selling it to another market participant that would use the asset in its best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs, and using unobservable inputs only if the observable inputs aren't available or impractical.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.12 Fair value measurement (Continued)

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities obtainable at the measurement date. Level 2: observable inputs for the relevant asset or liability, either directly or indirectly, except for Level 1 input. Level 3: unobservable inputs for the relevant assets or liability.

At each balance sheet date, the Company reassesses assets and liabilities measured at fair value that are recognized in the financial statements on a recurring basis to determine whether transfers have occurred between fair value measurement hierarchy levels.

3.13 Inventories

3.13.1 Classification of inventories

Inventories include raw materials, work in progress, stock goods, revolving materials, spare parts and property development costs, which are measured at the lower of cost and net realizable value. Revolving materials include low-value consumables and packaging materials.

3.13.2 Measurement method of cost of inventories

Inventories are initially measured at cost. Raw materials and finished goods are calculated using weighted average method.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.13 Inventories (Continued)

3.13.3 Recognition of net realisable value of inventories and provision for inventory impairment

At the balance sheet date, provision for inventory impairment is made when the cost is higher than the net realisable value.

Net realisable value of inventories refers to the amount of the estimated price of inventories less the estimated cost incurred upon completion, estimated sales expenses and taxes and levies. The realisable value of inventories shall be determined on the basis of definite evidence, purpose of holding the inventories and effect of after-balance-sheet-date events.

The Company usually make provision for inventory impairment based on categories of inventories. Provision for inventory impairment is made in accordance with the category of inventories for inventories with large quantities and low unit prices.

At the balance sheet date, in case the factors causing inventory impairment no longer exists, the original provision for inventory impairment shall be reversed.

3.13.4 Inventory stock taking system

The Company maintains a perpetual inventory system as its inventory stock taking system.

3.13.5 Amortization methods of low-value consumables and packaging materials

Low-value consumables are charged to profit or loss when they are used.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.14 Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. Associates of the Company are those investees that the Company imposes significant influence over.

3.14.1 Determination of initial investment cost

Long-term equity investments acquired through business combinations: for a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of the owners' equity under the consolidated financial statements of the ultimate controlling party on the date of combination. For a long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost of the long-term equity investment shall be the cost of combination.

Long-term equity investments acquired through other means: for a long-term equity investment acquired by cash payment, the initial investment cost shall be the purchase cost actually paid; for a long-term equity investment acquired by issuing equity securities, the initial investment cost shall be the fair value of equity securities issued.

3.14.2 Subsequent measurement and recognition of profit or loss

Investments in subsidiaries shall be accounted for using the cost method. Except for the investments which meet the conditions of holding for sale, investments in associates and joint ventures shall be accounted for using the equity method.

For a long-term equity investment accounted for using the cost method, the cash dividends or profits declared by the investees for distribution shall be recognised as investment gains and included in profit or loss for the current period, except the case of receiving the actual consideration paid for the investment or the declared but not yet distributed cash dividends or profits which is included in the consideration.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.14 Long-term equity investments (Continued)

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

For a long-term equity investment accounted for using the equity method, where the initial investment cost exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the investment cost of the long-term equity investment. Where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, adjustment shall be made to the carrying amount of the long-term equity investment, and the difference shall be charged to profit or loss for the current period.

Under the equity method, investment gain and other comprehensive income shall be recognised based on the Company's share of the net profits or losses and other comprehensive income made by the investee, respectively. Meanwhile, the carrying amount of long-term equity investment shall be adjusted. The carrying amount of long-term equity investment shall be reduced based on the Group's share of profit or cash dividend distributed by the investee. In respect of the other movement of net profit or loss, other comprehensive income and profit distribution of investee, the carrying amount of long-term equity investment shall be adjusted and included in the capital reserves (other capital reserves). The Group shall recognise its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto according to the accounting policies and accounting periods of the Company.

For additional equity investment made in order to obtain significant influence or common control over investee without resulted in control, the initial investment cost under the equity method shall be the aggregate of fair value of previously held equity investment and additional investment cost on the date of transfer. For investments in non-trading equity instruments that were previously classified as at fair value through other comprehensive income, the cumulative fair value changes associated with them that were previously included in other comprehensive income are transferred to retained earnings upon the change to the equity method of accounting.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.14 Long-term equity investments (Continued)

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

In the event of loss of common control or significant influence over investee due to partial disposal of equity investment, the remaining equity interest after disposal shall be accounted for according to the Accounting Standard for Business Enterprises No. 22 – Recognition and measurement of Financial Instruments. The difference between its fair value and carrying amount shall be included in profit or loss for the current period. In respect of other comprehensive income recognised under previous equity investment using equity method, it shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by investee at the time when equity method was ceased to be used. Movement of other owners' equity related to the previous equity investment shall be transferred to profit or loss for the current period.

In the event of loss of control over investee due to partial disposal of equity investment, the remaining equity interest which can apply common control or impose significant influence over the investee after disposal shall be accounted for using equity method. Such remaining equity interest shall be treated as accounting for using equity method since it is obtained and adjustment was made accordingly. For the remaining equity interest which cannot apply common control or impose significant influence over the investee after disposal, it shall be accounted for using the Accounting Standard for Business Enterprises No. 22 – Recognition and measurement of Financial Instruments. The difference between its fair value and carrying amount as at the date of losing control shall be included in profit or loss for the current period.

If the shareholding ratio of the Company is reduced due to the capital increase of other investors, and as a result, the Company loses the control of but still can apply common control or impose significant influence over the investee, the net asset increase due to the capital increase of the investee attributable to the Company shall be recognised according to the new shareholding ratio, and the difference with the original carrying amount of the long-term equity investment corresponding to the shareholding ratio reduction part that should be carried forward shall be recorded in the profit or loss for the current period; and then it shall be adjusted according to the new shareholding ratio as if equity method is used for accounting when acquiring the investment.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.14 Long-term equity investments (Continued)

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

In respect of the transactions between the Company and its associates and joint ventures, the share of unrealised gain or loss arising from internal transactions shall be eliminated by the portion attributable to the Company. Investment gain or loss shall be recognised accordingly. However, any unrealised loss arising from internal transactions between the Company and an investee is not eliminated to the extent that the loss is impairment loss of the transferred assets.

3.14.3 Basis for determining the common control and significant influence on the investee

Common control is the contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control. When determining if there is any common control, it should first be identified if the arrangement is controlled by all the participants or the group consisting of the participants, and then determined if the decision on the arranged activity can be made only with the unanimous consent of the participants sharing the control. If all the participants or a group of participants can only decide the relevant activities of certain arrangement through concerted action, it can be considered that all the participants or a group of participants share common control on the arrangement. If there are two or more participant groups that can collectively control certain arrangement, it does not constitute common control. When determining if there is any common control, the relevant protection rights will not be taken into account.

Significant influence is the power of the investor to participate in the financial and operating policy decisions of an investee, but to fail to control or joint control the formulation of such policies together with other parties. When determining if there is any significant influence on the investee, the influence of the voting shares of the investee held by the investor directly and indirectly and the potential voting rights held by the investor and other parties which are exercisable in the current period and converted to the equity of the investee, including the warrants, stock options and convertible bonds that are issued by the investee and can be converted in the current period, shall be taken into account.

When the Company holds directly or indirectly through the subsidiary 20% (inclusive) to 50% of the voting shares of the investee, it is generally considered to have significant influence on the investee, unless there is concrete evidence to prove that it cannot participate in the production and operation decision-making of the investee and cannot pose significant influence in this situation. When the Company owns less than 20% of the voting shares of the investee, it is generally considered that it has not significantly influenced on the investee, unless there is concrete evidence to prove that it can participate in the production and operation decision making of the investee and can impose significant influence in this situation.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.14 Long-term equity investments (Continued)

3.14.4 Method of impairment testing and impairment provision

For the method for making impairment provision for the investment in subsidiaries, associates and joint ventures, please refer to Note 3. 21.

3.15 Investment property

Investment property refers to real estate held to earn rentals or for capital appreciation, or both. The investment property of the Company includes leased land use rights, land use rights held for sale after appreciation, and leased buildings and construction.

Investment properties are initially measured at acquisition cost, and depreciated or amortized using the same policy as that for fixed assets or intangible assets.

For the impairment of the investment properties accounted for using the cost model, refer to Note 3. 21.

Gains or losses arising from the sale, transfer, retirement or disposal of an item of investment property are determined as the difference among the net disposal proceeds, the carrying amount of the item, related taxes and surcharges, and are recognised in profit or loss for current period.

3.16 Fixed assets

3.16.1 Recognition of fixed assets

Fixed assets represent the tangible assets held by the Company for use in production of goods, use in supply of services, rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are recognised only when its related economic benefits are likely to flow to the Company and its cost can be reliably measured.

The Company's fixed assets are initially measured at the actual cost at the time of acquisition.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.16 Fixed assets (Continued)

3.16.1 Recognition of fixed assets (Continued)

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The cost of routine repairs of fixed assets that do not qualify as capitalised subsequent expenditure is charged to current profit or loss or included in the cost of the related assets in accordance with the beneficiary object when incurred. The carrying amount of the replaced part is derecognised.

3.16.2 Depreciation of fixed assets

The Company adopts the straight-line method for depreciation. Provision for depreciation will be started when the fixed asset reaches its expected usable state, and stopped when the fixed asset is derecognized or classified as a non-current asset held for sale. Without regard to the depreciation provision, the Company determines the annual depreciation rate by category, estimated useful lives and estimated residual value of the fixed assets as below:

Type	Estimated useful life of depreciation (years)	Estimated residual value rate %	Annual depreciation rate %
Plant and buildings	8-45	5.00	12.13-2.11
Machinery and equipment	8-20	5.00	12.13-4.75
Motor vehicles	5-14	5.00	19.40-6.79
Office equipment and others	4-10	5.00	24.25-9.50

Where, for the fixed assets for which impairment provision is made, to determine the depreciation rate, the accumulated amount of the fixed asset impairment provision that has been made shall be deducted.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.16 Fixed assets (Continued)

3.16.3 The impairment test method and impairment provision method of the fixed assets are set out in Note 3. 21.

3.16.4 The Company will review the useful lives, estimated net residual value and depreciation method of the fixed assets at the end of each year.

When there is any difference between the useful lives estimate and the originally estimated value, the useful lives of the fixed asset shall be adjusted. When there is any difference between the estimated net residual value estimate and the originally estimated value, the estimated net residual value shall be adjusted.

3.16.5 Disposal of fixed assets

A fixed asset is derecognised on disposal or when it is expected that there shall be no economic benefit arising from using or after disposal. Where the fixed assets are sold, transferred, retired or damaged, the income received after disposal after deducting the carrying amount and related taxes are recognised in profit or loss for the current period.

3.17 Construction in progress

Construction in progress of the Company is recognised based on the actual construction cost, including all necessary expenditures incurred for construction projects, capitalised borrowing costs for the construction in progress before it has reached the working condition for its intended use, and other related expenses during the construction period.

A construction in progress is reclassified to fixed assets when it has reached the working condition for its intended use.

The method for impairment provision of construction in progress is set out in Note 3. 21.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.18 Borrowing costs

3.18.1 Recognition principle for the capitalisation of the borrowing costs

The borrowing costs incurred by the Company directly attributable to the acquisition, construction or production of a qualifying asset will be capitalised and included in the cost of relevant asset. Other borrowing costs will be recognised as expenses when incurred according to the incurred amount, and included in the profit or loss for the current period. When the borrowing costs meet all the following conditions, capitalisation shall be started:

- ① The capital expenditure has been incurred, which includes the expenditure incurred by paying cash, transferring non-cash assets or undertaking interest-bearing liabilities for acquiring, constructing or producing the qualifying assets;
- ② Borrowing costs have been incurred;
- ③ The acquisition, construction or production activity necessary for the asset to be ready for its intended use or sale has been started.

3.18.2 Capitalisation period of borrowing costs

When a qualifying asset acquired, constructed or produced by the Company is ready for its intended use or sale, the capitalisation of the borrowing costs shall discontinue. The borrowing costs incurred after a qualifying asset is ready for its intended use or sale shall be recognised as expenses when incurred according to the incurred amount, and included in the profit or loss for the current period.

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months. The capitalisation of the borrowing costs shall be continued in the normal interruption period.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.18 Borrowing costs (Continued)

3.18.3 Calculation methods for capitalisation rate and capitalised amount of the borrowing costs

Where funds are borrowed for a specific purpose, the amount of interest to be capitalised shall be the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary investment of those funds. Where funds are borrowed for general purpose, the Company shall determine the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalisation rate shall be the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalisation period, exchange differences on a specific purpose borrowing denominated in foreign currency shall be capitalised. Exchange differences related to general-purpose borrowings denominated in foreign currency shall be included in profit or loss for the current period.

3.19 Intangible assets

3.19.1 Measure of intangible assets

Intangible assets of the Company include software, land use rights, patent rights, copyrights, franchise rights, etc.

The intangible asset is initially measured at cost, and its useful life is determined upon acquisition. If the useful life is finite, the intangible asset will be amortised over the estimated useful life using the amortisation method that can reflect the estimated realisation of the economic benefits related to the asset, starting from the time when it is available for use. If it is unable to reliably determine the estimated realisation, straight-line method shall be adopted for amortisation. The intangible assets with uncertain useful life will not be amortised.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.19 Intangible assets (Continued)

3.19.1 Measure of intangible assets (Continued)

The amortization method for intangible assets with finite useful lives is as follows:

Item	Useful life (Year)	Basis for determining useful life	Amortization method	Notes
Land use rights	50	Duration of title registration	Straight-line	–
Patent rights	6-8	Expected years of economic benefits	Straight-line	–
Software	10	Expected years of economic benefits	Straight-line	–
Copyrights	10-47	Expected years of economic benefits	Straight-line	–

The Company reviews the useful life and amortisation method of the intangible assets with finite useful life at the end of each year. If it is different from the previous estimates, the original estimates will be adjusted, and will be treated as a change in accounting estimate.

If it is estimated on the balance sheet date that certain intangible asset can no longer bring future economic benefit to the company, the carrying amount of the intangible asset will be entirely transferred into the profit or loss for the current period.

The impairment method for the intangible assets is set out in Note 3. 21.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.19 Intangible assets (Continued)

3.19.2 Basis for determining an indefinite service life

If the period over which an intangible asset will bring economic benefits to the Company is not foreseeable, or the service life is indefinite for an intangible asset, the Company determines that the intangible asset has an indefinite service life. Basis for determining an indefinite service life: the intangible asset comes from contractual rights or other legitimate rights, but there is no definite service life stipulated in the contract or the law; It is still impossible to determine the time period over which the intangible assets can bring economic benefits to the Company based on peer conditions or relevant expert opinions.

At the end of each year, the service life of intangible assets with an indefinite service life is reviewed mainly on a bottom-up basis, with the department using the intangible asset to perform basic review for any change in the basis for determining its indefinite service life.

3.20 Research and development expenditure

The Company's research and development expenses are expenses directly related to the Company's research and development activities, including research and development personnel's salaries, direct costs, depreciation and long-term deferred expenses, design costs, equipment commissioning costs, amortization of intangible assets, outsourced R&D expenses, and other expenses. Among them, the salaries of research and development personnel are included in research and development expenses in accordance with the allocation of project labor hour. Equipment, production lines and sites shared by R&D activities and other production and operation activities are allocated to R&D expenses according to the proportion of labor hour and area.

Expenditure on an internal research and development project is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditure during the research phase is expensed when incurred.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.20 Research and development expenditure (Continued)

Expenditure during the development phase is capitalised if the product or process is technically and commercially feasible; the Company intends to complete the development; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development and use or sell the intangible asset; and development costs can be measured reliably. Other development expenditure is recognised as an expense in the period in which it is incurred.

Research and development projects of the Company will enter into the development phase when they meet the above conditions, technical and economic feasibility research is finished and necessary approval of the project is obtained.

Capitalised expenditure on the development phase is presented as “development costs” in the balance sheet, and is transferred to intangible assets when the project is completed to its intended use.

Capitalisation conditions of specific R&D projects are:

- (1) It is feasible technically to prepare the intangible asset for use or sale;
- (2) Management has the intention to finish the intangible asset for use or sale;
- (3) The intangible asset can bring economic benefits into the flow;
- (4) The Company has sufficient technical, financial and other resources to complete development of the intangible asset and has the ability to use or sell the intangible asset;
- (5) Development stage costs attributable to the intangible asset can be reliably measured.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.21 Impairment of assets

Impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured using a cost model, fixed assets, construction in progress, right-of-use assets, intangible assets, goodwill and others (Excluding inventories, deferred tax assets and financial assets) subsequently measured at cost is determined as follows:

The Company determines if there is any indication of asset impairment as at the balance sheet date. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for impairment test. Goodwill arising from business combinations, intangible assets with an indefinite useful life and intangible assets not ready for use will be tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. The Company estimates the recoverable amount of an individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. The determination of an asset group is based on whether major cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction amount is charged to profit or loss and an impairment provision is made accordingly.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.21 Impairment of assets (Continued)

For the purpose of impairment test of goodwill, the carrying amount of goodwill acquired in a business combination is allocated to the relevant asset groups on a reasonable basis from the acquisition date; where it is difficult to allocate to the related asset groups, it is allocated to the combination of related asset groups. The related asset groups or combination of asset groups are those which can benefit from the synergies of the business combination and are not larger than the reportable segments identified by the Company.

In the impairment test, if there is any indication that an asset group or a combination of asset groups related to goodwill may be impaired, the Company first tests the asset group or set of asset groups excluding goodwill for impairment, calculates the recoverable amount and recognises the corresponding impairment loss. An impairment test is then carried out on the asset group or combination of asset groups containing goodwill by comparing its carrying amount with its recoverable amount. If the recoverable amount is lower than the carrying amount, an impairment loss is recognised for goodwill.

An impairment loss recognised shall not be reversed in a subsequent period.

3.22 Long-term deferred expenses

The long-term prepaid expenses incurred by the Company shall be recognised based on the actual cost, and evenly amortised over the estimated benefit period. For the long-term prepaid expense that cannot benefit the subsequent accounting periods, its value after amortisation shall be entirely included in the profit or loss for the current period.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.23 Employee benefits

3.23.1 Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the Company's spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

Employee benefits are presented as "employee benefits payable" and "long-term employee benefits payable" in the balance sheet, respectively, according to liquidity.

3.23.2 Short-term staff remuneration

Employee wages or salaries actually incurred, bonuses, and social insurance contributions such as medical insurance, work injury insurance, maternity insurance, and housing fund, contributed at the applicable benchmarks and rates, are recognised as a liability as the employees provide services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

3.23.3 Post-employment benefits

Post-employment benefit plans include defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and the Company has no future obligations for payment. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance, and unemployment insurance, etc.

During the accounting period in which an employee provides service, the amount payable calculated according to the defined contribution plan is recognised as a liability and included in the profit or loss for the current period or the cost of relevant assets.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.23 Employee benefits (Continued)

3.23.3 Post-employment benefits (Continued)

Defined benefit plans

For defined benefit plans, the actuarial valuation is conducted by an independent actuary on the annual balance sheet date, and the cost of providing benefits is determined using the expected cumulative benefit unit method. The employee benefits cost arising from the Company's defined benefit plan includes the following components:

- ① Service cost, including current service cost, past service cost, and any gain or loss on settlement. In particular, the current service cost refers to the increase in the present value of obligations of defined benefit plans arising from the service provided by staff in the current period; the past service cost refers to the increase or decrease in the present value of obligations of defined benefit plans related to the service of the staff in the previous period arising from the revision of defined benefit plans.
- ② Net interest on net liabilities or net assets of defined benefit plans, including interest income from the assets under the plans, interest expense arising from the obligations of defined benefit plans, and interest affected by asset caps.
- ③ Change in remeasurements of the net liabilities or net assets of defined benefit plans.

Unless other accounting standards require or allow employee benefit costs to be included in asset costs, the above item ① and ② will be recognized in the current profit and loss. Item ③ will be recognized in other comprehensive income and will not be transferred back to profit or loss in the subsequent accounting period. When the original defined benefit plan is terminated, all the part originally recognized in other comprehensive income will be transferred to retained profit within the scope of equity.



SECTION XII FINANCIAL REPORT

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.23 Employee benefits (Continued)

3.23.4 Termination benefits

When the Company provides termination benefits to employees, employee benefits liabilities arising from termination benefits are recognised in profit or loss for the current period at the earlier of the following dates: when the Company cannot revoke unilaterally compensation for dismissal due to the cancellation of labour relationship plans and employee redundant proposals; the Company recognises cost and expenses related to payment of compensation for dismissal and restructuring.

For the early retirement plans, economic compensations before the actual retirement date were classified as termination benefits. During the period from the date of cease of render of services to the actual retirement date, relevant wages and contribution to social insurance for the employees proposed to be paid are recognized in profit or loss on a one-off basis. Economic compensation after the official retirement date, such as normal pension, is accounted for as post-employment benefits.

3.23.5 Other long-term employee benefits

Other long-term employee benefits provided by the Company to employees that meet the conditions for defined contribution plans are accounted for in accordance with the relevant provisions relating to defined contribution plans as stated above. If the conditions for defined benefit plans are met, the benefits shall be accounted for in accordance with the relevant provisions relating to defined benefit plans, but the “changes arising from the remeasurement of net liabilities or net assets of defined benefit plans” in the relevant employee benefits shall be included in the current profit and loss or the relevant costs of assets.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.24 Provisions

Obligations pertinent to the contingencies which satisfy the following conditions are recognised by the Company as provisions:

- (1) the obligation is a current obligation borne by the Company;
- (2) It is likely that an outflow of economic benefits from the Company will be resulted from the performance of the obligation; and
- (3) the amount of the obligation can be reliably measured.

The provisions shall be initially measured based on the best estimate for the expenditure required for the performance of the current obligation, after taking into account relevant risks, uncertainties, time value of money and other factors pertinent to the contingencies. If the time value of money has significant influence, the best estimates shall be determined after discounting the relevant future cash outflow. The Company reviews the carrying amount of the provisions on the balance sheet date and adjust the carrying amount to reflect the current best estimates.

If all or some expenses incurred for settlement of recognised provisions are expected to be borne by the third party, the compensation amount shall, on a recoverable basis, be recognised as asset separately, and compensation amount recognised shall not be more than the carrying amount of provisions.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.25 Share-based payment and equity instruments

3.25.1 Classification of share-based payment

Share-based payment includes equity-settled share-based payment and cash-settled share-based payment.

3.25.2 Determination of fair value of equity instruments

The Company determines the fair value of equity instruments such as options granted for which an active market exists based on quoted prices in an active market. For equity instruments such as options granted for which no active market exists, the fair value is determined by using option pricing models and other methods. The option pricing model selected takes into account the following factors: A. the exercise price of the option; B. the life of the option; C. the current price of the underlying shares; D. the expected volatility of the share price; E. the expected dividends on the shares; and F. the risk-free interest rate during the life of the option.

3.25.3 Basis for recognizing the best estimate of a viable equity instrument

At each balance sheet date during the vesting period, the Company revises the number of equity instruments expected to be exercisable based on the best estimate of the latest available subsequent information, such as changes in the number of employees with exercisable rights. On the date of vesting, the final estimated number of exercisable equity instruments shall be the same as the actual number of exercisable equity instruments.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.25 Share-based payment and equity instruments (Continued)

3.25.4 Accounting treatment related to the implementation, modification and termination of share-based payment plans

Equity-settled share-based payments are measured at the fair value of the equity instruments granted to employees. If the options are exercisable immediately after the grant, the related costs or expenses are recognized at the grant date based on the fair value of the equity instruments, with a corresponding increase in capital reserve. If the option is not exercisable until the completion of services within the vesting period or the fulfillment of specified performance conditions, at each balance sheet date during the vesting period, the services acquired during the period are recognized in the relevant cost or expense and capital reserve at the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments that will be exercisable. No further adjustments are made to the related costs or expenses recognized and to total owners' equity after the vesting date.

Cash-settled share-based payments are measured at the fair value of the Company's assumption of liabilities determined by calculations based on shares or other equity instruments. Where options are exercisable immediately after grant, the fair value of the liability assumed by the Company is recognized at the grant date in the relevant cost or expense, with a corresponding increase in the liability. For cash-settled share-based payments that become exercisable after the completion of services within the vesting period or the fulfillment of specified performance conditions, the services acquired during the period are recognized as a cost or expense and a corresponding liability at the amount of the fair value of the liability assumed by the Company at each balance sheet date during the vesting period, based on the best estimate of the circumstances under which the rights will become exercisable. At each balance sheet date prior to settlement of the related liability and at the date of settlement, the fair value of the liability is remeasured, and the change is recognized in profit or loss for the period.

When the Company modifies a share-based payment plan, if the modification increases the fair value of the equity instruments granted, an increase in services acquired is recognized accordingly to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the increase in the fair value of the equity instruments is recognized accordingly as an increase in services acquired. The increase in the fair value of equity instruments is the difference between the fair value of the equity instruments before and after the modification at the date of modification. If the modification reduces the total fair value of the share-based payment or otherwise modifies the terms and conditions of the share-based payment plan in a manner that is not favorable to the employee, the acquired services continue to be accounted for as if the change had never occurred, unless the Company cancels some or all of the equity instruments granted.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.25 Share-based payment and equity instruments (Continued)

3.25.4 Accounting treatment related to the implementation, modification and termination of share-based payment plans (Continued)

If the granted equity instruments are cancelled during the vesting period (except for those cancelled due to non-market performance conditions that are not met by the conditions for exercisability), the Company treats the cancellation of the granted equity instruments as an acceleration of the exercise of the options, and the amount to be recognized during the remaining vesting period is immediately recognized in profit or loss and capital reserve is recognized. If the employees or other parties can choose to satisfy the non-option conditions but fail to do so during the vesting period, the Company treats the cancellation as a cancellation of the equity instruments granted.

3.25.5 Restricted shares

Under the Share Incentive Scheme, the Company grants restricted shares to the incentive recipients, who subscribe for the shares first, and if the unlocking conditions stipulated in the Share Incentive Scheme are not subsequently met, the Company repurchases the shares at a pre-agreed price. If the restricted shares issued to employees have fulfilled the registration and other capital increase procedures in accordance with the relevant regulations, on the date of grant, the Company recognizes share capital and capital reserve (share premium) based on the subscription monies received from employees; and also recognizes treasury stock and other payables in respect of the repurchase obligation.

3.26 Perpetual bonds and other financial instruments

3.26.1 Classification of financial liabilities and equity instruments

Financial instruments issued by the Company are classified as financial assets, financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial asset, financial liability and equity instruments on initial recognition.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.26 Perpetual bonds and other financial instruments (Continued)

3.26.2 Accounting treatment of perpetual bonds

Financial instruments issued by the Company are initially recognised and measured in accordance with the financial instrument standards; thereafter, interest or dividends are accrued on each balance sheet date and accounted for in accordance with relevant specific ASBEs, i.e. to determine the accounting treatment for interest expenditure or dividend distribution of the instrument based on the classification of the financial instrument issued. For financial instruments classified as equity instruments, their interest expenses or dividend distributions are treated as profit distribution of the Company, and their repurchases and cancellations are treated as changes in equity; for financial instruments classified as financial liabilities, their interest expenses or dividend distribution are in principle accounted for with reference to borrowing costs, and the gains or losses arising from their repurchases or redemption are included in the profit or loss for the current period.

For the transaction costs such as fees and commissions incurred by the Company for issuing financial instruments, if such financial instruments are classified as debt instruments and measured at amortised cost, they are included in the initial measured amount of the instruments issued; if such financial instruments are classified as equity instruments, they are deducted from equity.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.27 Revenue

3.27.1 General principles

The Company recognizes revenue when it satisfies a performance obligation in the contract, i.e. when the customer obtains control of the relevant goods or services.

Where a contract has two or more performance obligations, the Company allocates the transaction price to each performance obligation based on the percentage of respective unit price of goods or services guaranteed by each performance obligation, and recognises as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Company performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point in time:

- ① when the customer simultaneously receives and consumes the benefits provided by the Company when the Company performs its obligations under the contract;
- ② when the customer is able to control the goods in progress in the course of performance by the Company under the contract;
- ③ when the goods produced by the Company under the contract are irreplaceable and the Company has the right to payment for performance completed to date during the whole contract term.

For performance obligations performed within a certain period, the Company recognises revenue by measuring the progress towards complete of that performance obligation within that certain period. When the progress of performance cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognised at the amount of costs incurred until the progress of performance can be reasonably determined.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.27 Revenue (Continued)

3.27.1 General principles (Continued)

For performance obligations performed at a point in time, the Company recognizes revenue at the point of time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Company considers the following indications:

- ① The Company has the present right to receive payment for the goods or service, which is when the customer has the present payment obligations for the goods or service.
- ② The Company has transferred the legal title of the good to the customer, which is when the client possesses the legal title of the goods.
- ③ The Company has transferred physical possession of the goods to the customer, which is when the customer has physical possession of the goods.
- ④ The Company has transferred all of the substantial risks and rewards of ownership of the goods to the customer, which is when the customer obtains all of the substantial risks and rewards of ownership of the goods to the customer.
- ⑤ The customer has accepted the good or service.
- ⑥ Other information indicates that the customer has obtained control of the goods.

The Company's right to consideration in exchange for goods or services that the Company has transferred to customers (and such right depends on factors other than passage of time) is accounted for as contract assets, and contract assets are subject to impairment based on ECLs (see Note 3.11.6). The Company's unconditional right to receive consideration from customers (only depends on passage of time) is accounted for as accounts receivable. The Company's obligation to transfer goods or services to customers for which the Company has received or should receive consideration from customers is accounted for as contract liabilities.

Contract assets and contract liabilities under the same contract are presented on a net basis. Where the net amount has a debit balance, it is presented in "contract assets" or "other non-current assets" according to its liquidity. Where the net amount has a credit balance, it is presented in "contract liabilities" or "other non-current liabilities" according to its liquidity.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.27 Revenue (Continued)

3.27.2 Specific methods

The specific methods for Revenue recognition of the Company's main business are as follows:

Construction contract

The Company provides construction services for engineering projects. As the customer controls the construction work-in-progress, the Company recognizes revenue based on the progress towards complete satisfaction of the performance obligation. The progress is measured by the Company's expenditures or inputs incurred to satisfy the performance obligation, calculated as the proportion of costs incurred to date relative to the estimated total budgeted costs as of the balance sheet date for each contract.

The Company does not expect any project contracts where the period between performance and final customer payment exceeds one year. Consequently, the Company does not adjust the transaction price for the time value of money.

Pursuant to contract terms, customers may adjust the contractually agreed amount based on final acceptance results. The Company determines the transaction price after making adjustments to the contract amount based on historical experience.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.27 Revenue (Continued)

3.27.2 Specific methods (Continued)

Service providing contract

The Company provides design services to external parties. For design contracts with non-substitutable purposes where the Company has an enforceable right to payment for performance completed to date throughout the contract period, revenue is recognized over time based on the progress towards complete satisfaction of the performance obligation. The progress is measured using the input method (cost-to-cost basis), calculated as the proportion of costs incurred to date relative to the estimated total costs. At each balance sheet date, the Company reassesses the progress of completed services to ensure it reflects changes in performance status.

For other design contracts, the Company recognizes revenue upon completion of design services, submission of design proposals to customers, and formal customer acceptance.

For contracts containing two or more distinct performance obligations, the Company allocates the transaction price to each obligation at contract inception based on the relative stand-alone selling prices of each service. Stand-alone selling prices are determined based on the Company's pricing for individually sold services.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.27 Revenue (Continued)

3.27.2 Specific methods (Continued)

Equipment manufacturing business

For the equipment manufacturing business of the company, the construction contract was regarded as a performance obligation to be performed within a certain period of time after evaluation and the revenue was recognized according to the performance progress within that period. On the balance sheet date, the contract performance progress shall be determined according to the proportion of the accumulative contract cost incurred to the total estimated contract cost, and the accumulative revenue to be recognized shall be calculated according to the estimated total contract revenue multiplied by the corresponding performance progress. The amount after deducting the accumulative recognized revenue in previous periods shall be recognized as the contract income of the current period. At the same time, the accumulative contract cost incurred after deducting the accumulative recognized cost in previous accounting periods shall be recognized as the contract cost of the current period. Other equipment manufacturing contracts that do not regarded as a performance obligation to be performed within a certain period of time after evaluation by the company shall be recognized as revenue when the completion is delivered to the customer.

3.28 Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. sales commission. The Company recognises the incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.28 Contract costs (Continued)

If the costs incurred in fulfilling a contract are not within the scope of inventories or other ASBEs, the Company recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- ① the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Company entered into the contract;
- ② the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- ③ the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period.

The Company recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- ① remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates;
- ② the cost estimated to be happened for the transfer of related goods or services.

The costs of contract performance recognised as assets, if the amortisation period is less than one year or a normal operating cycle upon the initial recognition, are presented as “Inventories” item, and if the amortisation period is more than one year or a normal operating cycle upon the initial recognition, are presented as “other non-current assets” item.

The contract obtaining costs recognised as assets, if the amortisation period is less than one year or a normal operating cycle upon the initial recognition, are presented as “other current assets” item, and if the amortization period is more than one year or a normal operating cycle upon the initial recognition, are presented as “other non-current assets” item.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.29 Government grants

A government grant is recognised when the grant will be received and that the Company will comply with the conditions attaching to the grant.

If a government grant is in the form of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of non-monetary asset, it is measured at fair value; if the fair value cannot be obtained in a reliable way, it is measured at the nominal amount of RMB1.

Government grants obtained for acquisition or construction of long-term assets or other forms of long-term asset formation are classified as government grants related to assets, while the remaining government grants are classified as government grants related to revenue.

Regarding the government grant not clearly defined in the official documents and can form long-term assets, the part of government grant which can be referred to the value of the assets is classified as government grant related to assets and the remaining part is government grant related to revenue. For the government grant that is difficult to distinguish, the entire government grant is classified as government grant related to revenue.

A government grant related to an asset is offset against the carrying amount of the related asset. A government grant that compensates the Company for expenses or losses already incurred is recognised as deferred income and offset against related expenses during the period of recognition of related expenses. If the grant is a compensation for related costs, expenses or losses to be incurred in subsequent periods, the grant shall be recognised as deferred income, and offset against related expenses over the periods in which the related costs, expenses or losses are recognised. A government grant measured at nominal amount is directly included in profit or loss for the current period. The Company adopts a consistent approach to the same or similar government grants.

A government grant related to daily activities is recognised in other gains or used to offset related costs relying on the essence of economic business; otherwise, recognised in non-operating income.

For the repayment of a government grant already recognised, if the carrying amount of relevant assets was written off at initial recognition, the carrying amount of the assets shall be adjusted; if there is any related deferred income, the repayment shall be offset against the carrying amount of the deferred income, and any excess shall be recognised in profit or loss for the current period; otherwise, the repayment shall be recognised immediately in profit or loss for the current period.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.30 Deferred tax assets and deferred tax liabilities

Income tax comprises current income tax expense and deferred income tax expense, which are included in profit or loss for the current period as income tax expenses, except for deferred tax related to transactions or events that are directly recognised in owners' equity which are recognised in owners' equity, and deferred tax arising from a business combination, which is adjusted against the carrying amount of goodwill.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base at the balance sheet date of the Company shall be recognised as deferred income tax using the balance sheet liability method.

All the taxable temporary differences are recognised as deferred income tax liabilities except for those incurred in the following transactions:

- (1) The initial recognition of goodwill, and the initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognises a deferred income tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred income tax asset is recognised when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future, and it is probable that taxable profits will be available in the future, against which the temporary difference can be utilised.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.30 Deferred tax assets and deferred tax liabilities (Continued)

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their tax effect is reflected accordingly.

At the balance sheet date, the Company reviews the carrying amount of a deferred income tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilised, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented as net amounts after offsetting when both of the following criteria are met:

- (1) The taxpayer of the Company has the legal right to net settlement of current tax assets and current tax liabilities;
- (2) Deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax collection authority on the same taxpayer within the Company.

3.31 Leases

3.31.1 Identification of leases

On the beginning date of the contract, the Company (as a lessee or lessor) assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to direct the use of the identified asset throughout the period of use. If a contract conveys the right to control the use of an identified asset and multiple identified assets for a period of time in exchange for consideration, the Company identifies such contract is, or contains, a lease.

3.31.2 The Company as lessee

On the beginning date of the lease, the Company recognises right-of-use assets and lease liabilities for all leases, except for short-term lease and low-value asset lease with simplified approach.

The accounting policy for right-of-use assets is set out in Note 3.32.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.31 Leases (Continued)

3.31.2 The Company as lessee (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the beginning date of the lease using the interest rate implicit in the lease. Where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate. Lease payments include fixed payments and in-substance fixed payments, less any lease incentives receivable; variable lease payments that are based on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; payments for terminating the lease, if the lease term reflects the lessee exercising that option of terminating; and amounts expected to be payable by the lessee under residual value guarantees. Subsequently, the interest expense on the lease liability for each period during the lease term is calculated using a constant periodic rate of interest and is recognised in profit or loss for the current period. Variable lease payments not included in the measurement of lease liabilities are recognised in profit or loss for the period in which they actually arise.

Short-term lease

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Company will record the lease payment amount of short-term lease into the cost of relevant assets or current profit or loss in each period of the lease term according to the straight-line method.

Leases of low value assets

A low-value asset lease is a lease that the value of a single leased asset is below RMB40 thousand when it is a new asset.

Lease payments on low-value asset leases are recognised on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period.

For a low-value asset lease, the Company chooses the above simplified approach based on the specific circumstances of each lease.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.31 Leases (Continued)

3.31.2 The Company as lessee (Continued)

Lease modifications

A lessee shall account for a lease modification as a separate lease if both: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If a lease modification that is not accounted for as a separate lease, on the day of the lease modification, the Company re-allocates the consideration in the modified lease, re-determines the lease term, and re-measures the present value of lease liability according to the revised lease payments and revised discount rate.

For lease modifications that result in decrease in the lease scope or the lease term, the Company decreases the carrying amount of the right-of-use asset accordingly and recognizes in profit or loss of current period any gain or loss relating to the partial or full termination of the lease.

For all other lease modifications that result in remeasurement of lease liabilities, the Company makes a corresponding adjustment to the carrying amount of right-of-use asset.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.31 Leases (Continued)

3.31.3 The Company as lessor

When the Company is a lessor, a lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of asset ownership to the lessee. All leases other than financial leases are classified as operating leases.

Finance leases

Under finance leases, the Company accounts for finance lease receivables at the beginning of the lease term at the net lease investment, which is the sum of the unsecured residual value and the present value of the lease receipts outstanding at the commencement date of the lease, discounted at the interest rate implicit in the lease. The Company as lessor calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments acquired by the Company as lessor that are not included in the net measurement of lease investments are included in profit or loss for the period when they are actually incurred.

Derecognition and impairment of finance lease receivables are accounted for in accordance with the requirements under the Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets.

Operating lease

Lease payments under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in relation to operating leases are capitalised and amortised over the lease term on the same basis as rental income and recognised in profit or loss for the current period. The variable lease payments obtained in relation to operating leases that are not included in the lease payments are recognised in profit or loss in the period in which they actually incurred.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.31 Leases (Continued)

3.31.3 The Company as lessor (Continued)

Lease modifications

If an operating lease is modified, the Company will treat it as a new lease for accounting treatment from the effective date of the modification, and the amount of lease payments received in advance or receivable related to the lease before the modification will be regarded as the amount of new lease payments.

The Company will treat the finance lease modification as a separate lease if the following conditions are met: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If the finance lease modification is not accounted for as a separate lease, the Company will deal with the modified lease under the following circumstances: ① If the modification takes effect on the commencement date of the lease, the lease will be classified as an operating lease, and the Company will treat it as a new lease from the effective date of the lease modification, and take the net investment in lease before the effective date of the lease modification as the carrying amount of the leased asset; ② If the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will conduct accounting treatment in accordance with the provisions of the “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments” concerning the modification or renegotiation of the contract.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.32 Right-of-use assets

3.32.1 Recognition conditions of right-of-use assets

The right-of-use assets are defined as the right to use the underlying assets in the lease term for the Company as a lessee.

On the commencement date of the lease term, right-of-use assets are initially measured at cost. The cost includes: the amount of the initial measurement of the lease liability; the lease payment made on or before the commencement date of the lease term, less any lease incentive received if any; the initial direct costs incurred by the lessee; whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease. The Company as a lessee recognises and measures the costs of demolition and restoration according to “Accounting Standards for Business Enterprises No.13 – Contingencies”, and subsequently adjusts for any remeasurement of lease liability.

3.32.2 Depreciation method of the right-of-use assets

The Company calculates depreciation on a straight-line basis. Right-of-use assets in which the Company as a lessee is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated over the remaining useful life. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and its remaining useful life.

3.32.3 Methods of impairment testing and provision for impairment for right-of-use assets are set out in Note 3. 21.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.33 Production safety expense

The Company makes appropriation to production safety fee according to provisions of the Notice on Printing and Issuing the Measures for Management of Appropriation to and Use of Production Safety Fund of Enterprises issued by the Ministry of Finance and the State Administration of Work Safety.

Provisions for production safety expenses are included in the cost of related products or profit or loss of the current period and included in “special reserves” correspondingly.

When the provisions for production safety expenses and maintenance costs are utilised within the prescribed scope, if such production safety expenses are applied and related to revenue expenditures, specific reserve is directly offset. When fixed assets are incurred, they are included in the “construction in progress” item and transferred to fixed assets when the status of the assets is ready for intended use. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are no longer depreciated in subsequent periods.

3.34 Debt reorganization

3.34.1 The Company as debtor

Debt is derecognized when the present obligation of the debt is discharged, specifically, gains or losses related to debt restructuring are recognized when uncertainty about the process and outcome of executing the debt restructuring agreement is eliminated.

If a debt restructuring is carried out by settling the debt with an asset, the Company derecognizes the debt when the related asset and the debt settled meet the conditions for derecognition, and the difference between the carrying amount of the debt settled and the carrying amount of the asset transferred is recognized in profit or loss for the current period.

For debt restructuring by converting debt to equity instruments, the Company derecognizes the debt when the debt settled meets the conditions for derecognition. The Company initially recognizes an equity instrument at the fair value of the equity instrument. If the fair value of the equity instrument cannot be reliably measured, it is measured at the fair value of the debt settled. The difference between the carrying amount of the debt settled and the amount recognized for the equity instrument is recognized in profit or loss.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.34 Debt reorganization (Continued)

3.34.1 The Company as debtor (Continued)

If debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured debt in accordance with the provisions of ASBE No. 22, "Recognition and Measurement of Financial Instruments" and ASBE No. 37, "Presentation of Financial Instruments".

If debt restructuring is carried out by using multiple assets to settle debts or by combining them, the Company recognizes and measures equity instruments and restructured debts in accordance with the aforementioned methods, and the difference between the carrying value of the debts settled and the sum of the carrying value of the transferred assets and the recognized amounts of equity instruments and restructured debts is recognized in profit or loss for the current period.

3.34.2 The Company as creditor

Claims are derecognized when the contractual right to receive cash flows from the claims is terminated. Specifically, gains or losses related to debt restructuring are recognized when uncertainty about the process and outcome of debt restructuring agreements is eliminated.

For debt restructuring by means of settlement of debts by assets, the Company initially recognizes assets other than transferred financial assets at cost, of which the cost of inventories, including the fair value of the abandoned claims and other costs directly attributable to bringing the assets to their current location and condition, such as taxes, transportation, handling and insurance, etc., are measured at cost. The cost of an investment in an associate or joint venture includes the fair value of the relinquished claim and other costs such as taxes directly attributable to the asset. The cost of investment property, including the fair value of the relinquished claims and other costs such as taxes directly attributable to the asset. The cost of property, plant and equipment includes the fair value of the relinquished claim and other costs directly attributable to the asset, such as taxes, transportation, loading and unloading, installation, and professional services, incurred before the asset is brought to its intended useable condition. The cost of an intangible asset consists of the fair value of the relinquished claim and other costs directly attributable to taxes incurred to bring the asset to its intended use. The difference between the fair value and the carrying amount of the relinquished claims is recognized in profit or loss.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.34 Debt reorganization (Continued)

3.34.2 The Company as creditor (Continued)

If a debt restructuring by way of conversion of debt to equity instruments results in the Company converting the debt to an equity investment in an associate or joint venture, the Company measures the initial investment cost of the debt at the fair value of the abandoned claim and other costs directly attributable to the asset, such as taxes. The difference between the fair value of the relinquished claim and the carrying amount is recognized in profit or loss.

If debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured claims in accordance with the provisions of ASBE No. 22, “Recognition and Measurement of Financial Instruments”.

For debt restructuring using multiple assets to settle debts or a combination of them, the Company first recognizes and measures the transferred financial assets and restructuring claims in accordance with the provisions of ASBE No. 22, “Recognition and Measurement of Financial Instruments”, and then, in proportion to the fair value of each of the assets other than the transferred financial assets, the fair value of the waived claim. The fair value of each asset other than the transferred financial assets is then allocated to the net amount after deducting the recognized amounts of the transferred financial assets and restructuring claims, and the cost of each asset is determined separately on this basis in accordance with the aforementioned method. The difference between the fair value and the carrying amount of the abandoned claims is recognized in profit or loss.

3.35 Non-monetary asset exchange

Non-monetary asset exchange shall be measured on the basis of fair value if the exchange has commercial substance, and the fair value of incoming assets or outgoing assets can be measured reliably. The difference between the consideration obtained upon derecognition of the outgoing asset and its carrying amount is recorded in profit or loss.

Non-monetary asset exchange not satisfying conditions for measurement on the basis of fair value are measured at carrying amount. Incoming assets are initially measured at the carrying amount of outgoing assets plus relevant taxes payable. No gain or loss is recognized on derecognition of outgoing assets.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.36 Segment

The Company determines operating segments based on internal organizational structure, management requirements, and internal reporting systems, and determines reporting segments and discloses segment information based on operating segments.

Operating segments refer to the components of the Company that meet all of the following conditions:

- (1) This component can generate income and incur expenses in daily activities;
- (2) Management can regularly evaluate operating results of this component, so as to decide to allocate resources to it and evaluate its performance.
- (3) Financial conditions, operating results, cash flows and other relevant accounting information of the component are available.

If two or more operating segments share similar economic characteristics and meet certain conditions, they are combined into one operating segment.

3.37 Significant accounting policies and estimates

The Company conducts an ongoing evaluation of the significant accounting estimates and key assumptions used in the light of historical experience and other factors, including reasonable expectations of future events. Significant accounting estimates and key assumptions that are likely to result in the risk of a material adjustment in the carrying amount of assets and liabilities during the next fiscal year are set out below:

(1) Revenue recognition on engineering construction contract

The Company recognized revenue from engineering construction in proportion to the progress in performance, while the progress in performance is determined by the accumulative actual contract cost to the total estimated contract cost. Determining the estimated total revenue and estimated total cost of these contracts requires a lot of estimates and judgments from management, including estimating the transaction price adjustment caused by contract changes, estimating the work of quantities to occur, and estimating consumption and unit price of materials or equipment. In executing the contract, management revises their estimates of estimated total revenue and the estimated total cost from time to time based on the latest available information. Adjustments to these estimates may result in an increase or decrease in revenue or costs for the current and future periods and be reflected in the income statement for the corresponding periods.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.37 Significant accounting policies and estimates (Continued)

(2) Receivable and contract asset impairment provision

The Company accounts for impairment of and makes impairment of credit losses for receivables and contract assets based on expected credit risks. When they are assessed for impairment loss on a collective basis, the amount of provision is determined based on historical loss pattern of assets with similar credit risk characteristics, observable data reflecting current conditions and reasonable prediction of the future. The Company regularly reviews the methods and assumptions used to estimate the amount and timing of future cash flows of related assets and continuously revises the estimation of expected credit risks. If there are unexpected material changes in credit status of important debtors or customers, it may have a significant impact on operating performance for the relevant period in the future.

(3) Income tax

The Company's determination of income tax involves judgment on future tax treatment of certain transactions. In view of the fact that the Company pays corporate income tax in many regions, the Company will prudently assess the tax impact of various transactions and make provision for income tax. The Company regularly reevaluates the tax impact of these transactions in accordance with updated tax regulations. The recognition of deferred tax assets requires the Company to judge the possibility of obtaining future taxable income. The Company continuously reviews its judgment on deferred tax, and recognizes deferred tax assets on deductible temporary differences and deductible tax losses only if it expects that it is likely to obtain utilisable taxable income in future. Nevertheless, there remains the risk of significant differences between the ultimate tax impact and management's judgment.

(4) Retirement and internal retirement benefits liabilities

Retirement and retirement benefit plans recognized by the Company as liabilities are measured based on various assumptions, including expected life, discount rate, wage growth rate post early retirement, medical expense growth rate and other factors. Management continuously maintains the rationality of these assumptions by engaging professional actuarial institutions and other methods, but it is still possible to make significant adjustments to these assumptions as external economic situation changes, thus affecting the balance of liabilities, profits and other comprehensive income for the relevant period.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.38 Changes in significant accounting policies and accounting estimates

3.38.1 Significant changes in accounting policies

① Interpretation No.17 of the Accounting Standards for Business Enterprises

The Ministry of Finance issued the “Interpretation No.17 of the Accounting Standards for Business Enterprises” (Caikuai [2023] No.21) (hereinafter referred to as “Interpretation No.17”) in November 2023.

The classification of current liabilities and non-current liabilities

Interpretation No. 17 stipulates that regarding liabilities arising from corporate loan arrangements, an entity’s right to defer settlement of liability more than one year after the balance sheet may be contingent upon compliance with covenants specified in the loan agreement (hereinafter referred to as “covenants”). For covenants requiring compliance by the balance sheet date, even if the assessment of covenant compliance occurs after the balance sheet date (e.g., covenants stipulating evaluation based on the financial position at the balance sheet date), this affects the determination of whether the right existed at the balance sheet date, and consequently impacts the classification of the liability’s liquidity position as of that date. Conversely, covenants requiring compliance after the balance sheet date (e.g., covenants stipulating evaluation based on financial positions six months post-balance sheet date) do not affect the assessment of the right’s existence at the balance sheet date and are irrelevant to the liquidity classification of the liability as of that date.

Where the terms of a liability allow its settlement through the delivery of the entity’s own equity instruments at the counterparty’s option, if such option is classified as an equity instrument under the applicable accounting standards and separately recognized as the equity component of a compound financial instrument, these provisions do not affect the liquidity classification of the liability.

This company implements this regulation as of January 1, 2024, and adjusts the comparable period information accordingly.

The application of Interpretation No.17 has not have a significant impact on the Company’s financial position and operating results.



SECTION XII FINANCIAL REPORT

III. PROVISION FOR IMPAIRMENT (CONTINUED)

3.38 Changes in significant accounting policies and accounting estimates (Continued)

3.38.1 Significant changes in accounting policies (Continued)

② Interpretation No.18 of the Accounting Standards for Business Enterprises

The Ministry of Finance issued the “Interpretation No.18 of the Accounting Standards for Business Enterprises” (Caikuai [2024] No.24) (hereinafter referred to as “Interpretation No.18”) on December 31, 2024.

Accounting treatment for guarantee-type quality guarantees that do not constitute a performance obligation

Interpretation No.18 stipulates that, when accounting for provisions arising from guarantee-type quality guarantees that do not constitute a performance obligation, enterprises should, in accordance with the relevant provisions of Accounting Standard for Business Enterprises No.13 – Contingencies, debit the “Main operating costs”, “Other operating costs” and other accounts by the determined amount of provisions, and credit the “Provisions” account. Correspondingly, they should be presented in the “Operating costs” line item of the income statement and the “Other current liabilities”, “Non-current liabilities due within one year”, “Provisions” and other line items of the balance sheet.

The Company implements this regulation as of the date of issuance of Interpretation No.18 and make retroactive adjustments.

The application of Interpretation No.18 has not had a significant impact on the Company’s financial position and operating results.

3.38.2 Changes in significant accounting estimates

None.



SECTION XII FINANCIAL REPORT

4. TAXATION

4.1 Major types of taxes and respective tax rates

Tax type	Tax basis	Tax rate%
Value added tax (VAT)	Taxable value-added amount (the taxable amount is calculated based on the balance of taxable sales multiplied by the applicable tax rate after deducting the allowable input tax for the current period)	3, 5, 6, 9, 13
City maintenance and construction tax	The sum of VAT actually paid	1, 5, 7
Educational surcharge	The sum of VAT actually paid	2, 3
Enterprise income tax	Taxable income	25% (except overseas subsidiaries, preferential treatments as set out in Note 4. 2)



SECTION XII FINANCIAL REPORT

4. TAXATION (CONTINUED)

4.1 Major types of taxes and respective tax rates (Continued)

Taxpayers of the Company subject to the preferential corporate income tax rate and their applicable income tax rates are set out below:

Name of taxpayer	Income tax rate%
China Aluminum International Engineering Corporation Limited	15.00
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	15.00
Shenyang Boyu Technology Co., Ltd.	15.00
Shenyang Aluminum-Magnesium Technology Co., Ltd.	15.00
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	15.00
Guiyang Zhenxing Al-Mg Science & Technology Industry Development Corp.,Ltd	15.00
Guizhou Chuangxin Light Metal Process & Equipment Engineering Research Center Company Ltd.	15.00
Guizhou Shunan Electro-mechanical Equipment Co., Ltd.	15.00
CINF Engineering Co., Ltd.	15.00
Huachu Intelligent Technology (Hunan) Co., Ltd.	15.00
China Non-ferrous Metals Processing Technology Co., Ltd.	15.00
Luoyang Foyang Decoration Engineering Co., Ltd.	15.00
China Non-ferrous Metal Changsha Survey and Design Institute Co., Ltd.	15.00
Shenzhen Changkan Reconnaissance Design Co., Ltd.	15.00
China Sixth Metallurgical Construction Co., Ltd.	15.00
LiuYe (Zhengzhou) Technology Heavy Industry Co., Ltd.	15.00
China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	15.00
China Aluminum International (Tianjin) Construction Co., Ltd.	15.00
Jiuye Construction Co., Ltd.	15.00
Jiuye Steel Structure Co., Ltd.	15.00
Zhengzhou Jiuye Sanwei Chemical Machinery Co., Ltd.	15.00
China Aluminum Shandong Engineering Technology Corporation Limited	15.00
Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	15.00
Kunming Engineering & Research Institute of Non-ferrous Metallurgy Co., Ltd.	15.00
Beijing Autosky Science & Technology Co., Ltd.	20.00
Shenyang Shengxin Construction Engineering Project Management Co., Ltd.	20.00
Hunan Changye Construction Drawing Examination Co., Ltd.	20.00
Hunan Huachu Project Management Co., Ltd.	20.00
Luoyang Jincheng Construction Supervision Co., Ltd.	20.00
Kunming Prospecting Institute Technology Development Company	20.00
Kunming Kehui Electric Co., Ltd.	20.00
Yunnan Jinji'an Construction Consulting Supervision Co., Ltd.	20.00



SECTION XII FINANCIAL REPORT

4. TAXATION (CONTINUED)

4.1 Major types of taxes and respective tax rates (Continued)

Overseas taxpayers of the Company and their applicable income tax rates are set out below:

Name of taxpayer	Income tax rate%
China Non-ferrous Metals Industry's 12th Metallurgical (Indonesia) Co., Ltd.	2.65
China Aluminum International Engineering (India) Private Limited	30.00
Chalieco Hong Kong Corporation Limited	16.50
Chalieco Malaysia Sdn. Bhd.	24.00
China Non-ferrous Metals Kunming Prospecting Design Institute	
African Congo (Kinshasa) Company	30.00
China Aluminum International Guinea Co., Ltd.	15.00
China Aluminum International Guinea Development Co., Ltd.	20.00

4.2 Tax preferential treatments

4.2.1 Tax preferences applicable to high-tech companies

- 1) China Aluminum International Engineering Corporation Limited received the High-tech Enterprise Certificate on 18 October 2022 (Certificate number: GR202211000726, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 2) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited received the High-tech Enterprise Certificate on 20 December 2023 (Certificate number: GR202321001685, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 3) Shenyang Boyu Technology Co., Ltd. received the High-tech Enterprise Certificate on 27 November 2024 (Certificate number: GR202421001715, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 4) Shenyang Aluminum-Magnesium Technology Co., Ltd. received the High-tech Enterprise Certificate on 20 December 2023 (Certificate number: GR202321002023, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.



SECTION XII FINANCIAL REPORT

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

4.2.1 Tax preferences applicable to high-tech companies (Continued)

- 5) Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd., as a High-tech Enterprise vigorously supported by the State, received the High-tech Enterprise Certificate on 19 December 2022 (Certificate number: GR202252000612, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 6) Guiyang Zhenxing Al-Mg Science&Technology Industry Development Corp., Ltd. received the High-tech Enterprise Certificate on 25 December 2024 (Certificate number: GR202452000266, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 7) Guizhou Chuangxin Light Metal Process & Equipment Engineering Research Center Co., Ltd. received the High-tech Enterprise Certificate on 9 December 2024 (Certificate number: GR202452000237, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 8) Guizhou Shunan Electro-mechanical Equipment Co., Ltd. received the High-tech Enterprise Certificate on 25 December 2024 (Certificate number: GR202152000352, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 9) CINF Engineering Co., Ltd. received the High-tech Enterprise Certificate on 1 November 2024 (Certificate number: GR202443001869, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.



SECTION XII FINANCIAL REPORT

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

4.2.1 Tax preferences applicable to high-tech companies (Continued)

- 10) Huachu Intelligent Technology (Hunan) Co., Ltd. received the High-tech Enterprise Certificate on 16 December 2024 (Certificate number: GR202443002540, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 11) China Non-ferrous Metals Processing Technology Co., Ltd. received the High-tech Enterprise Certificate on 8 December 2023 (Certificate number: GR202341004338, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 12) Luoyang Foyang Decoration Engineering Co., Ltd. received the High-tech Enterprise Certificate on 22 November 2023 (Certificate number: GR202341001075, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 13) China Non-ferrous Metal Changsha Survey and Design Institute Co., Ltd. received the High-tech Enterprise Certificate on 16 December 2024 (Certificate number: GR202443002875, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 14) Shenzhen Changkan Reconnaissance Design Co., Ltd. received the High-tech Enterprise Certificate on 15 November 2023 (Certificate number: GR202344203700, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.



SECTION XII FINANCIAL REPORT

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

4.2.1 Tax preferences applicable to high-tech companies (Continued)

- 15) China Sixth Metallurgical Construction Co., Ltd. of China Non-ferrous Metals Industry received the High-tech Enterprise Certificate on 1 December 2022 (Certificate number: GR202241001733, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 16) Liuye (Zhengzhou) Technology Heavy Industry Co., Ltd. received the High-tech Enterprise Certificate on 21 November 2024 (Certificate number: GR202441002868, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 17) China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. received the High-tech Enterprise Certificate on 12 December 2022 (Certificate number: GR202214001133, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 18) China Aluminum International (Tianjin) Construction Co., Ltd. received the High-tech Enterprise Certificate on 19 December 2022 (Certificate number: GR202212002914, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 19) Jiuye Construction Co., Ltd. received the High-tech Enterprise Certificate on 3 November 2022 (Certificate number: GR202261000437, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.



SECTION XII FINANCIAL REPORT

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

4.2.1 Tax preferences applicable to high-tech companies (Continued)

- 20) Jiuye Steel Structure Co., Ltd. received the High-tech Enterprise Certificate on 14 December 2022 (Certificate number: GR202261005406, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 21) Zhengzhou Jiuye Sanwei Chemical Machinery Co., Ltd. received the Hightech Enterprise Certificate on 8 December 2023 (Certificate number: GR202341003889, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China. As a high-tech enterprise vigorously supported by the State, it is entitled to a preferential corporate income tax at 15% for year 2024.
- 22) China Aluminum Shandong Engineering Technology Corporation Limited received the High-tech Enterprise Certificate on 7 December 2024 (Certificate number: GR202437002719, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 23) Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd received the High-tech Enterprise Certificate on 1 November 2024 (Certificate number: GR202453000043, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.
- 24) Kunming Engineering & Research Institute of Non-ferrous Metallurgy Co., Ltd. received the High-tech Enterprise Certificate on 18 November 2022 (Certificate number: GR202253001003, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2024.



SECTION XII FINANCIAL REPORT

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

4.2.2 Tax preferences for small and micro enterprises

- 1) According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Tax Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Entrepreneurs (Cai Shui (2023) No. 12): small and micro-profit enterprises are credited with 25% of their taxable income per annum and are subject to enterprise income tax at a tax rate of 20%.
- 2) The Company's subsidiaries, Beijing Autosky Science & Technology Co., Ltd., Shenyang Shengxin Construction Engineering Project Management Co., Ltd., Hunan Changye Construction Drawing Examination Co., Ltd., Hunan Huachu Project Management Co., Ltd., Luoyang Jincheng Construction Supervision Co., Ltd., Kunming Prospecting Institute Technology Development Company, Kunming Kehui Electric Co., Ltd., and Yunnan Jinji'an Construction Consulting Supervision Co., Ltd., are applicable to the aforesaid documents and will pay their taxable income at a preferential rate for FY2024.

4.2.3 VAT

- 1) According to the Circular of the Ministry of Finance and the State Administration of Taxation on the Inclusion of the Railway Transportation and Postal Industry in the Pilot Project of Changing Business Tax to Value-added Tax (Cai Shui [2013] No. 106), technology transfer income obtained by China Aluminum International Engineering Corporation Limited is exempted from value-added tax.
- 2) According to the Circular of the Ministry of Finance and the State Administration of Taxation on the Inclusion of the Railway Transportation and Postal Industry in the Pilot Program for the Conversion of Business Tax to Value-added Tax (Cai Shui [2013] No. 106), technology transfer income obtained by China Non-ferrous Metals Processing Technology Co., Ltd. is exempted from value-added tax.



SECTION XII FINANCIAL REPORT

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

4.2.3 VAT (Continued)

- 3) According to the Notice on Value-added Tax Policy for Software Products (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Administration of Taxation, Guiyang Zhenxing AI-Mg Science&Technology Industry Development Co., Ltd. is entitled to the preferential tax policy of immediate refund of value-added tax for the portion of the actual tax burden in excess of 3% on the sale of self-produced software.
- 4) According to the Notice on Value-added Tax Policy for Software Products (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Administration of Taxation, Guizhou Chuangxin Light Metal Process & Equipment Engineering Research Center Co., Ltd. is entitled to the preferential tax policy of value-added tax on an immediate basis for the portion of the actual tax burden in excess of 3% on the sale of self-produced software.
- 5) China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. obtained the filing of the general taxpayer's simplified method of levy determination on May 1, 2016, and according to the Circular of the Ministry of Finance and the State Administration of Taxation on the Pilot Project of Comprehensively Pushing Forward the Change of Business Tax to Value-added Tax (Cai Shui [2016] No. 36), it enjoyed the preferential policies of providing construction services for the A-supply project, providing construction and engineering services for the old project, and sales from May 1, 2016 onwards. real estate acquired before April 30, 2016, can choose the preferential policy of calculating according to the simplified tax method.
- 6) China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. obtained the filing of tax exemption for cross-border taxable acts of general taxpayers in May 2017, and according to the Circular of the Ministry of Finance and the State Administration of Taxation on the Comprehensively Launching of the Pilot Project of Changing Business Tax to Value-added Tax (Caixian [2016] No. 36), the provision of construction services outside of China by domestic units and individuals may be exempted from the levy of value-added tax temporarily.



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 Cash and cash equivalents

Item	31 December 2024	31 December 2023
Cash on hand	1,514	1,359
Cash at banks	1,698,921	1,968,474
Deposits in Chinalco Finance	1,466,513	1,369,771
Other monetary funds	781,349	721,686
Total	3,948,297	4,061,290
Including: Total overseas deposits	329,639	218,783

Note:

As at 31 December 2024, cash and cash equivalents included restricted cash of RMB781,349 thousand, including deposits at banks secured for bank guarantees and acceptance bills and frozen deposits.

As of December 31, 2024, the Company held deposits totaling RMB1,466,513 with Chalco Finance Company Limited (hereinafter referred to as “Chalco Finance”), a related non-bank financial institution under the common control of Chinalco Group.

Details of restricted cash are set out below:

Item	31 December 2024	31 December 2023
Frozen Deposits	419,591	227,670
Bank's Acceptance Bill Deposit	269,995	344,099
Letter of Guarantee Deposit	75,871	128,917
Letter of Credit Deposit	1,727	6,996
Other Deposit	14,165	14,004
Total	781,349	721,686



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.2 Held-for-trading financial assets

Item	31 December 2024	31 December 2023
Fair value through profit and loss	–	700,506
Including: Structured deposits	–	700,506
Total	–	700,506

5.3 Bills receivable

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Impairment of credit losses	Carrying amount	Gross carrying amount	Impairment of credit losses	Carrying amount
Bank acceptance bill	360,418	–	360,418	223,057	–	223,057

(1) **Outstanding endorsed or discounted bills that have not matured as at 31 December 2024**

Item	Amount not-derecognized as at 31 December 2024
Bank acceptance bills	184,793



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.4 Accounts receivable

(1) The aging analysis of accounts receivable (including related party receivables) on the transaction date is as follows:

Item	31 December 2024	31 December 2023
Within 1 year	9,297,945	7,439,141
1 to 2 years	3,011,945	3,651,554
2 to 3 years	2,314,637	2,916,821
3 to 4 years	2,294,132	2,304,217
4 to 5 years	2,011,756	718,319
More than 5 years	1,962,842	1,783,879
Subtotal	20,893,257	18,813,931
Less: Impairment of credit losses	3,978,455	3,699,181
Total	16,914,802	15,114,750



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.4 Accounts receivable (Continued)

- (2) **Accounts receivable and impairment of credit losses by category are listed as follows:**

Item	31 December 2024				
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	3,279,685	15.70	1,425,397	43.46	1,854,288
Impairment of credit losses on group basis	17,613,572	84.30	2,553,058	14.49	15,060,514
Including: Aging group	17,613,572	84.30	2,553,058	14.49	15,060,514
Total	20,893,257	100.00	3,978,455	19.04	16,914,802

Item	31 December 2023				
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	1,912,882	10.17	1,234,444	64.53	678,438
Impairment of credit losses on group basis	16,901,049	89.83	2,464,737	14.58	14,436,312
Including: Aging group	16,901,049	89.83	2,464,737	14.58	14,436,312
Total	18,813,931	100.00	3,699,181	19.66	15,114,750



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.4 Accounts receivable (Continued)

- (3) Accounts receivable whose impairment of credit losses were assessed individually are listed as follows:

Entity	31 December 2024			Reasons
	Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)	
Company 1	607,026	35,272	5.81	Note
Company 2	489,062	293,437	60.00	Note
Company 3	286,115	22,155	7.74	Note
Company 4	267,361	53,472	20.00	Note
Company 5	144,624	28,255	19.54	Note
Others	1,485,497	992,806	66.83	Note
Total	3,279,685	1,425,397	43.46	–

Note: The Company recognizes impairment of credit losses for all or a portion of the amounts in conjunction with their expected recoverability.



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.4 Accounts receivable (Continued)

- (3) **Accounts receivable whose impairment of credit losses were assessed individually are listed as follows: (Continued)**

Entity	31 December 2023			
	Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)	Reasons
Company 2	481,725	289,035	60.00	Note
Company 6	212,855	78,641	36.95	Note
Company 7	102,186	10,219	10.00	Note
Company 8	99,651	99,651	100.00	Note
Company 9	94,341	28,542	30.25	Note
Others	922,124	728,356	78.99	Note
Total	1,912,882	1,234,444	64.53	–

Note: The Company recognizes impairment of credit losses for all or a portion of the amounts in conjunction with their expected recoverability.

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.4 Accounts receivable (Continued)**

- (4) **Accounts receivable whose impairment of credit losses were assessed on aging group basis are listed as follows:**

Item	31 December 2024		
	Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)
	Amount		
Within 1 year	9,095,443	45,483	0.50
1 to 2 years	2,553,916	255,392	10.00
2 to 3 years	2,059,968	411,994	20.00
3 to 4 years	1,716,712	515,014	30.00
4 to 5 years	1,252,787	501,115	40.00
More than 5 years	934,746	824,060	88.16
Total	17,613,572	2,553,058	14.49

Item	31 December 2023		
	Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)
	Amount		
Within 1 year	7,329,175	38,635	0.50
1 to 2 years	3,566,708	356,671	10.00
2 to 3 years	2,676,281	535,256	20.00
3 to 4 years	1,932,405	579,721	30.00
4 to 5 years	574,964	230,084	40.00
More than 5 years	821,516	724,370	88.17
Total	16,901,049	2,464,737	14.58



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.4 Accounts receivable (Continued)

- (5) **Movements in impairment of credit losses for accounts receivable are listed as follows:**

Item	Opening balance	Movement				Closing balance
		Accrued	Recover/reverse (Decrease)	Written off (Decrease)	Others	
Individual basis	1,234,444	356,003	149,376	16,189	515	1,425,397
Group:						
Aging group	2,464,737	93,432	–	2,871	–2,240	2,553,058
Total	3,699,181	449,435	149,376	19,060	–1,725	3,978,455

- (6) **Significant impairment of credit losses recovered or reversed in the current period are as follows:**

Entity	Reason for reversal	Recovery method	Original basis for determining impairment of credit losses	Amount received or recovered
Company 3	The debt was recovered	The court ordered the settlement of debts through the transfer of assets	Individual basis	44,196
Company 1	Pledge of rights and partial debt recovery	Pledge of rights, Bank transfer	Individual basis	40,364
Company 10	The debt was recovered	Bank transfer	Individual basis	16,803
Company 6	The debt was recovered	The court ordered the settlement of debts through the transfer of assets	Individual basis	10,674
Company 11	The debt was recovered	Bank transfer	Individual basis	7,250
Total	–	–	–	119,287

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.4 Accounts receivable (Continued)****(7) Actual accounts receivable written off during the current period**

Item	Amount
Actual accounts receivable written off	19,060

Significant accounts receivables written off

Item	Nature	Amount	Reason	Procedure	Whether arise from connected transactions or not?
Company 12	Materials	10,039	Unrecoverable	Internal approval	No
Company 13	Equipment Manufacturing	3,472	Unrecoverable	Internal approval	No
Company 14	Technical services	1,814	Unrecoverable	Internal approval	No
Total	–	15,325	–	–	–



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.4 Accounts receivable (Continued)

- (8) As at 31 December 2024, accounts receivable from the five largest customers are listed as follows:

Entity	Gross carrying amount	Percentage in total accounts receivable (%)	Impairment of credit losses
Company 1	649,051	3.11	38,716
Company 2	533,650	2.55	293,660
Company 15	512,821	2.45	2,564
Company 16	447,231	2.14	2,236
Company 17	404,252	1.93	2,021
Total	2,547,005	12.18	339,197



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.5 Financing receivables

Item	31 December 2024	31 December 2023
Bills receivable	321,003	453,487

(1) Bills receivable pledged by the Company as at 31 December 2024

Item	Amount pledged as at 31 December 2024
Bank acceptance bills	6,000

Note: The bills receivable pledged by the Company are bank acceptance bills that have not yet matured as at 31 December 2024 and are used to issue bank acceptance bills.

(2) Bills receivable endorsed or discounted by the Company but not yet matured at the end of the period

Item	Amount derecognized as at 31 December 2024	Amount not derecognized as at 31 December 2024
Bank acceptance bills	1,023,473	—



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Prepayments

(1) An aging analysis of prepayments is listed as follows:

Item	31 December 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	345,672	83.35	410,598	80.51
1 to 2 years	58,805	14.18	91,111	17.87
2 to 3 years	8,771	2.11	3,138	0.62
More than 3 years	1,477	0.36	5,147	1.00
Total	414,725	100.00	509,994	100.00

(2) Significant prepayments aged over 1 year are as follows:

Entity	Gross carrying amount	Percentage of total prepayments (%)	Impairment of credit losses
Company 1	9,083	2.19	–
Company 2	8,768	2.11	–
Total	17,851	4.30	–



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Prepayments (Continued)

(3) As at 31 December 2024, prepayments to the five largest suppliers are listed as follows:

Entity	Gross carrying amount as at 31 December 2024	Percentage of total prepayments (%)
Company 3	26,317	6.35
Company 4	21,924	5.29
Company 5	18,817	4.54
Company 6	16,824	4.06
Company 7	15,300	3.69
Total	99,182	23.93

5.7 Other receivables

Item	31 December 2024	31 December 2023
Interests receivable	6,440	4,830
Dividends receivable	4,429	21,462
Other receivables	2,385,762	2,573,031
Less: impairment of credit losses	1,290,934	1,247,202
Total	1,105,697	1,352,121



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Other receivables (Continued)

(1) Interests receivable

Item	31 December 2024	31 December 2023
Interests receivable	6,440	4,830
Less: Impairment of credit losses	—	—
Total	6,440	4,830

(2) Dividends receivable

Item	31 December 2024	31 December 2023
Chinalco Tendering Co., Ltd.	—	16,201
Sichuan Chuannan Subway Operating Ltd.	3,752	3,752
Chinalco Intelligent (Hangzhou) Security Science Resurach Institute Ltd.	189	1,021
Chinalco Eco-friendly Technology (Hunan) Ltd.	488	488
Subtotal:	4,429	21,462
Less: Impairment of credit losses	—	—
Total	4,429	21,462



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Other receivables (Continued)

(3) Other receivables

① An aging analysis of other receivables is listed as follows:

Item	31 December 2024	31 December 2023
Within 1 year	531,831	545,502
1 to 2 years	175,871	407,202
2 to 3 years	269,152	596,638
3 to 4 years	531,696	370,237
4 to 5 years	307,374	261,548
More than 5 years	569,838	391,904
Subtotal	2,385,762	2,573,031
Less: Impairment of credit losses	1,290,934	1,247,202
Total	1,094,828	1,325,829



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Other receivables (Continued)

(3) Other receivables (Continued)

- ② As at 31 December 2024 and 31 December 2023, gross carrying amount of other receivables categorized by nature is listed as follows:

Item	31 December 2024		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Advance	1,119,632	734,140	385,492
Retention funds or deposits	1,028,912	419,155	609,757
Financing provided to Party A and its related parties	146,710	99,520	47,190
Equity transfer payment	23,124	6,086	17,038
Others	67,384	32,033	35,351
Total	2,385,762	1,290,934	1,094,828

Item	31 December 2023		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Advance	1,147,541	711,690	435,851
Retention funds or deposits	1,146,102	395,371	750,731
Financing provided to Party A and its related parties	167,210	99,520	67,690
Equity transfer payment	6,000	6,000	–
Others	106,178	34,621	71,557
Total	2,573,031	1,247,202	1,325,829

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.7 Other receivables (Continued)****(3) Other receivables (Continued)****③ Impairment of credit losses**

Impairment of credit losses in the first stage as at 31 December 2024

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	-	-	-	-
Impairment of credit losses on group basis	524,618	0.50	2,622	521,996
Aging group	524,618	0.50	2,622	521,996
Total	524,618	0.50	2,622	521,996

Impairment of credit losses in the second stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	-	-	-	-
Impairment of credit losses on group basis	352,680	15.54	54,815	297,865
Aging group	352,680	15.54	54,815	297,865
Total	352,680	15.54	54,815	297,865



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the third stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	924,353	88.57	818,727	105,626
Company 1	207,964	100.00	207,964	–
Company 2	207,229	100.00	207,229	–
Company 3	139,627	66.20	92,437	47,190
Company 4	55,065	100.00	55,065	–
Company 5	36,669	21.42	7,855	28,814
Others	277,799	89.34	248,177	29,622
Impairment of credit losses on group basis	584,111	71.01	414,770	169,341
Aging group	584,111	71.01	414,770	169,341
Total	1,508,464	81.77	1,233,497	274,967



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the first stage as at 31 December 2023

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	—	—	—	—
Impairment of credit losses on group basis	536,868	0.50	2,681	534,187
Aging group	536,868	0.50	2,681	534,187
Total	536,868	0.50	2,681	534,187

Impairment of credit losses in the second stage as at 31 December 2023

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	—	—	—	—
Impairment of credit losses on group basis	608,694	14.46	88,042	520,652
Aging group	608,694	14.46	88,042	520,652
Total	608,694	14.46	88,042	520,652



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the third stage as at 31 December 2023

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis				
Company 1	932,938	85.50	797,636	135,302
Company 2	208,044	100.00	208,044	–
Company 3	207,229	100.00	207,229	–
Company 4	160,127	57.73	92,437	67,690
Company 6	55,065	100.00	55,065	–
Others	47,062	16.69	7,855	39,207
	255,411	88.88	227,006	28,405
Impairment of credit losses on group basis				
Aging group	494,530	72.56	358,843	135,687
	494,530	72.56	358,843	135,687
Total	1,427,468	81.02	1,156,479	270,989

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.7 Other receivables (Continued)****(3) Other receivables (Continued)**

- ④ Movements in the impairment of credit losses of other receivables are listed as follows:

Item	Stage I Expected credit losses over the next 12 months	Stage II Lifetime expected credit losses (no credit impairment)	Stage III Lifetime expected credit losses (credit impaired)	Total
Balance as at 1 January 2024	2,681	88,042	1,156,479	1,247,202
Balance as at 1 January 2024 in the current period	-777	-39,091	39,868	-
- Transfer to Stage II	-777	777	-	-
- Transfer to Stage III	-	-39,868	39,868	-
Additions	718	5,864	47,649	54,231
Recoveries or reversals	-	-	7,949	7,949
Written-off	-	-	2,418	2,418
Others	-	-	-132	-132
Balance as at 31 December 2024	2,622	54,815	1,233,497	1,290,934



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Other receivables (Continued)

(3) Other receivables (Continued)

- ④ Movements in the impairment of credit losses of other receivables are listed as follows: (Continued)

Significant impairment of credit losses recovered or reversed in the current period are as follows:

Entity	Recovery method	Amount reversed or recovered
Company 7	Non-monetary recovery	3,465
Company 8	Non-monetary recovery	3,042
Company 9	Non-monetary recovery	1,170
Total	—	7,677

- ⑤ Other receivables actually written off in the current period

Entity	Amount
Company 10	2,163
Company 11	120
Company 12	50
Others	85
Total	2,418



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Other receivables (Continued)

(3) Other receivables (Continued)

⑥ As at 31 December 2024, other receivables from the five largest customers are listed as follows:

Entity	Nature	Closing balance	Aging	Percentage in total other receivable (%)	Closing balance of impairment of credit losses
Company 1	Advance	207,964	2 to 3 years	8.72	207,964
			3 to 4 years		
Company 2	Advance	207,229	2 to 3 years	8.69	207,229
			4 to 5 years		
Company 13	Retention funds or deposits	139,771	More than 5 years	5.86	139,771
Company 3	Financing provided to Party A and its related parties	139,627	More than 5 years	5.85	92,437
Company 14	Retention funds or deposits	77,542	Within 1 year	3.25	19,078
			1 to 4 years		
Total	-	772,133	-	32.37	666,479



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.8 Inventories

(1) Classification of inventories

Item	Gross carrying amount	31 December 2024 Impairment for provision of inventories	Carrying amount
Raw materials	322,105	9,480	312,625
Work in progress	1,103,680	210,155	893,525
Finished goods	1,762,213	650,125	1,112,088
Turnover materials and spare parts	10,124	–	10,124
Properties under development	840	–	840
Total	3,198,962	869,760	2,329,202

Item	Gross carrying amount	31 December 2023 Impairment for provision of inventories	Carrying amount
Raw materials	315,097	11,475	303,622
Work in progress	1,355,293	250,216	1,105,077
Stock goods	1,312,703	561,675	751,028
Turnover materials and spare parts	13,914	–	13,914
Properties under development	120,625	64,820	55,805
Total	3,117,632	888,186	2,229,446

Note: As at 31 December 2024, the amount of property in inventories in the process of applying for and handling registration or transfer of the title certificates is RMB1,211,731 thousand.



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.8 Inventories (Continued)

(2) Movements in the provision of inventories in current period are listed as follows:

Item	Opening balance	Additions		Decreases			Closing balance
		Provision	Others	Reversed or written-off	Write-off	Others	
Raw materials	11,475		-	1,995		-	9,480
Work in progress	250,216	651	-	29	33,736	6,947	210,155
Stock goods	561,675	25,117	64,820	-	1,487	-	650,125
Properties under development	64,820	-	-	-	-	64,820	-
Total	888,186	25,768	64,820	2,024	35,223	71,767	869,760



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.9 Contract assets

Item	31 December 2024	31 December 2023
Contract assets	7,294,889	8,189,193
Less: loss allowance of contract assets	1,359,994	1,467,937
Total	5,934,895	6,721,256

(1) Impairment of credit losses

Item	As at 31 December 2024				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit losses rate (%)	
Impairment of credit losses on an individual basis	1,146,929	15.72	456,684	39.82	690,245
Impairment of credit losses on a group basis	6,147,960	84.28	903,310	14.69	5,244,650
Including: Aging group	6,147,960	84.28	903,310	14.69	5,244,650
Total	7,294,889	100.00	1,359,994	18.64	5,934,895

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.9 Contract assets (Continued)****(1) Impairment of credit losses (Continued)**

Item	As at 31 December 2023				
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Expected credit losses rate (%)	Carrying amount
Impairment of credit losses on an individual basis	1,082,333	13.22	461,855	42.67	620,478
Impairment of credit losses on a group basis	7,106,860	86.78	1,006,082	14.16	6,100,778
Including: Aging group	7,106,860	86.78	1,006,082	14.16	6,100,778
Total	8,189,193	100.00	1,467,937	17.93	6,721,256



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.9 Contract assets (Continued)

(1) Impairment of credit losses (Continued)

Impairment of credit losses on an individual basis

Item	As at 31 December 2024			Reason
	Gross carrying amount	Impairment of credit losses	Expected credit losses rate (%)	
Company 1	168,772	151,895	90.00	Note
Company 2	160,268	160,268	100.00	Note
Company 3	36,472	357	0.98	Note
Company 4	30,610	30,208	98.69	Note
Company 5	29,660	29,660	100.00	Note
Others	721,147	84,296	11.69	Note
Total	1,146,929	456,684	39.82	–

Note: Impairment of credit losses were accrued in accordance with project execution and expected settlement.

Item	As at 31 December 2023			Reason
	Gross carrying amount	Impairment of credit losses	Expected credit losses rate (%)	
Company 1	168,772	151,895	90.00	Note
Company 2	160,268	160,268	100.00	Note
Company 6	56,381	5,638	10.00	Note
Company 4	30,610	29,940	97.81	Note
Company 5	29,660	29,660	100.00	Note
Others	636,642	84,454	13.27	Note
Total	1,082,333	461,855	42.67	–

Note: Impairment of credit losses were accrued in accordance with project execution and expected settlement.

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.9 Contract assets (Continued)****(1) Impairment of credit losses (Continued)**

Impairment of credit losses on a group basis

Aging group

Aging	As at 31 December 2024		
	Contract assets	Impairment of credit losses	Expected credit losses rate (%)
Within 1 year	2,911,550	14,604	0.50
1 to 2 years	1,508,302	150,774	10.00
2 to 3 years	696,166	139,233	20.00
3 to 4 years	430,008	129,002	30.00
4 to 5 years	169,506	67,803	40.00
More than 5 years	432,428	401,894	92.94
Total	6,147,960	903,310	14.69

Item	As at 31 December 2023		
	Contract assets	Impairment of credit losses	Expected credit losses rate (%)
Within 1 year	3,970,419	20,012	0.50
1 to 2 years	1,297,530	129,753	10.00
2 to 3 years	658,067	131,613	20.00
3 to 4 years	340,726	102,218	30.00
4 to 5 years	195,607	78,243	40.00
More than 5 years	644,511	544,243	84.44
Total	7,106,860	1,006,082	14.16



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.9 Contract assets (Continued)

(2) Movements in impairment of credit losses for contract assets are listed as follows:

Item	Opening balance	Movement				Closing balance
		Accrued	Reverse	Written-off	Others (Decrease)	
Contract assets	1,467,937	-21,089	-	-	86,854	1,359,994

5.10 Non-current assets due within one year

(1) Allowance for bad debt for non-current assets due within one year:

Item	31 December 2024	31 December 2023
Long-term receivables due within 1 year	502,620	235,365
Less: Allowance for Bad Debt	155,441	63,760
Total	347,179	171,605

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.10 Non-current assets due within one year (Continued)****(2) Provision, recovery, or reversal of bad debt allowance during the period:**

Item	Amount of bad debt allowance
Amount as 1 January 2024	63,760
Provision during the Period	-31,505
Recovery during the Period	-
Transfer to Long-term Receivables	123,186
Amount as 31 December 2024	155,441

5.11 Other current assets

Item	31 December 2024	31 December 2023
Deductible VAT input	572,679	380,250
Prepaid tax	182,104	188,599
Others	41,960	9,619
Total	796,743	578,468



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.12 Long-term receivables

- (1) Gross carrying amount of long-term receivables categorized by nature is listed as follows:

Item	31 December 2024		Carrying amount	Discount rate range
	Gross carrying amount	Impairment of credit losses		
Long-term receivables from customers	2,729,529	931,720	1,797,809	Note
Subtotal	2,729,529	931,720	1,797,809	–
Less: Current portion of long-term receivables due within one year	502,620	155,441	347,179	Note
Total	2,226,909	776,279	1,450,630	–

Item	31 December 2023		Carrying amount	Discount rate range
	Gross carrying amount	Impairment of credit losses		
Long-term receivables from customers	2,293,822	441,308	1,852,514	Note
Subtotal	2,293,822	441,308	1,852,514	–
Less: Current portion of long-term receivables due within one year	235,365	63,760	171,605	Note
Total	2,058,457	377,548	1,680,909	–

Note: Discount in accordance with contractual interest rate.

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.12 Long-term receivables (Continued)**

- (2) **Movements in the impairment of credit losses of long-term receivables for the current period are as follows:**

Item	Impairment of credit losses
Amount as at 1 January 2024	377,548
Additions	54,438
Reverse	119,872
Transfer to contract assets	86,854
Transfer to other non-current assets.	500,497
Transfer to non-current assets due within one year.	123,186
Amount as at 31 December 2024	776,279

5.13 Long-term equity investments

- (1) **Classification of long-term equity investment**

Item	31 December 2023	Additions for the period	Reductions for the period	31 December 2024
Investment in joint ventures	67,823	4,180	4,015	67,988
Investment in associates	734,701	15,146	41,291	708,556
Subtotal	802,524	19,326	45,306	776,544
Less: Impairment provision	48,218	–	12,002	36,216
Total	754,306	19,326	33,304	740,328



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.13 Long-term equity investments (Continued)

(2) Long-term equity investments breakdown

Investee	Investment cost	Opening balance	Increase in investment	Decrease in investment	Movements during this period					Closing Balance	Closing balance of provision for impairment
					Investment gain or loss recognised under equity method	OCI	Other equity movements	Cash dividends or profits declared	Loss allowance		
① Joint venture											
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	79,200	67,823	-	-	3,990	-	190	4,015	-	67,988	-
Zhongji Sunward Technology Co., Ltd.	40,000	8,843	-	-	-66	-	-	-	-	8,777	-
	39,200	58,980	-	-	4,056	-	190	4,015	-	59,211	-
② Associates											
Zhuzhou Tanqiao Crane Co., Ltd.	724,451	734,701	1,080	25,549	14,066	-	-96	15,646	-	708,556	36,216
Taikang Haowen construction Co., Ltd.	171,836	174,425	-	-	670	-	-	-	-	175,095	-
Loudi Hachuang development construction Co., Ltd.	108,640	108,640	-	-	-	-	-	-	-	108,640	-
Others	100,000	100,000	-	-	-	-	-	-	-	100,000	-
	343,975	351,636	1,080	25,549	13,396	-	-96	15,646	-	324,821	36,216
Total	803,651	802,524	1,080	25,549	18,056	-	94	19,661	-	776,544	36,216

Note 1: In 2015, the Company and Shanhe Intelligent Equipment Co., Ltd. ("Shanhe Equipment") jointly established Zhongji Sunward Technology Co., Ltd. ("Zhongji Shanhe"), in which the Company holds 49% equity interest. Pursuant to the Articles of Association of Zhongji Shanhe, neither Shanhe Equipment nor the Company can decide the major business activities of Zhongji Shanhe alone, i.e., both parties need to unanimously agree in order to make such decisions, and thus the Company and Shanhe Equipment jointly control Zhongji Shanhe.

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.14 Other equity instrument investments****(1) Details of other equity instrument investments**

Item	31 December 2024	31 December 2023
Yunnan Huineng Power Sales Co., Ltd.	20,830	19,725
Guizhou Aerospace Wujiang Electro-mechanical Equipment Co., Ltd.	8,612	13,900
Yunnan Zhonghui Energy Co., Ltd	4,668	4,501
Others	9,050	11,122
Total	43,160	49,248

(2) Investment in other equity instruments at the end of the period

Item	Gains/losses in current period	Accumulated gains/losses as of 31 December 2023	Income from dividends recognized in the current period	Amount transferred from other comprehensive income to retained earnings	Reason for transfer in
Yunnan Huineng Power Sales Co., Ltd.	1,105	5,830	900	-	-
Guizhou Aerospace Wujiang Electro-mechanical Equipment Co., Ltd.	-5,288	-1,360	-	-	-
Yunnan Zhonghui Energy Co., Ltd	167	375	-	-	-
Others	47	-64,518	86	701	disposal
Total	-3,969	-59,673	986	701	-



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.15 Investment properties

Item	1 January 2024	Increase			Decrease		31 December 2024
		Procurement	Transfer from own- occupied real estate or inventory	Others	Disposal	Transfer to own- occupied real estate	
I. Original Cost	958,752	–	254,849	17,155	1,816	–	1,228,940
1. Plant and buildings	776,401	–	254,849	17,155	1,816	–	1,046,589
2. Land use rights	182,351	–	–	–	–	–	182,351
II. Accumulated depreciation and amortization	191,786	27,422	6,979	–	39	–	226,148
1. Plant and buildings	147,643	23,016	6,979	–	39	–	177,599
2. Land use rights	44,143	4,406	–	–	–	–	48,549
III. Gross carrying amount	766,966	–	–	–	–	–	1,002,792
1. Plant and buildings	628,758	–	–	–	–	–	868,990
2. Land use rights	138,208	–	–	–	–	–	133,802
IV. Provision for impairment	–	–	6,946	–	–	–	6,946
1. Plant and buildings	–	–	6,946	–	–	–	6,946
2. Land use rights	–	–	–	–	–	–	–
V. Carrying amount	766,966	–	–	–	–	–	995,846
1. Plant and buildings	628,758	–	–	–	–	–	862,044
2. Land use rights	138,208	–	–	–	–	–	133,802

Note: The amount of investment properties failed to get certificate of ownership amounts to RMB 265,420,000.

5.16 Fixed assets

Item	31 December 2024	31 December 2023
Fixed assets	2,398,697	2,409,495
Fixed assets to be disposed of	–	–
Total	2,398,697	2,409,495



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.16 Fixed assets (Continued)

(1) Fixed assets

① Fixed assets

Item	Plant and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
I. Original Cost					
1. 1 January 2024	2,948,845	836,848	260,219	435,095	4,481,007
2. Increase	164,433	26,079	6,508	23,934	220,954
(1) Additions	62,400	26,002	6,508	23,928	118,838
(2) Transferred in from construction in progress	13,317	-	-	-	13,317
(3) Others	88,716	77	-	6	88,799
3. Decrease	90,620	27,583	10,897	10,883	139,983
(1) Disposals	5,697	17,912	10,524	9,697	43,830
(2) Decrease due to disposal of subsidiaries	-	9,671	-	509	10,180
(3) Others	84,923	-	373	677	85,973
4. 31 December 2024	3,022,658	835,344	255,830	448,146	4,561,978
II. Accumulated depreciation:					
1. 1 January 2024	867,286	647,084	209,126	344,016	2,067,512
2. Increase	82,985	28,640	9,820	24,072	145,517
(1) Provision	82,578	28,410	9,741	23,582	144,311
(2) Others	407	230	79	490	1,206
3. Decrease	11,392	21,669	10,683	10,004	53,748
(1) Disposals	1,381	16,764	9,242	9,111	36,498
(2) Decrease due to disposal of subsidiaries	-	4,865	-	455	5,320
(3) Others	10,011	40	1,441	438	11,930
4. 31 December 2024	938,879	654,055	208,263	358,084	2,159,281
III. Provision for impairment					
1. 1 January 2024	3,347	9	128	516	4,000
2. Increase	-	-	-	-	-
(1) Provision	-	-	-	-	-
3. Decrease	-	-	-	-	-
(1) Disposals	-	-	-	-	-
4. 31 December 2024	3,347	9	128	516	4,000
IV. Carrying amount					
1. 31 December 2024	2,080,432	181,280	47,439	89,546	2,398,697
2. 1 January 2024	2,078,212	189,755	50,965	90,563	2,409,495



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.16 Fixed assets (Continued)

(1) Fixed assets (Continued)

- ② Fixed assets in the process of applying for and handling registration or transfer of the title certificates

Item	Carrying amount	Reasons for failure to get certificate of ownership
Plant and Buildings	179,201	Processing

5.17 Construction in progress

Item	31 December 2024	31 December 2023
Construction in progress	49,873	76,590
Construction materials	—	—
Total	49,873	76,590



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.17 Construction in progress (Continued)

(1) Construction in progress

① Details of construction in progress

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Yue Liang Wan health project	44,174	–	44,174	41,809	–	41,809
Others	6,578	879	5,699	35,660	879	34,781
Total	50,752	879	49,873	77,469	879	76,590



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.17 Construction in progress (Continued)

(1) Construction in progress (Continued)

② Movements of material construction in progress

Project	1 January 2024	Additions	Transferred out to fixed assets	Other decreases	Accumulated capitalized interest	Including: interest capitalized in the current period	31 December 2024
Yue Liang Wan health project	41,809	2,365	–	–	26,023	–	44,174
Others	35,660	1,232	13,317	16,997	–	–	6,578
Total	77,469	3,597	13,317	16,997	26,023	–	50,752

Project	Budget	Proportion of investment to budget %	Project progress	Sources of funding	Current interest capitalization rate %
Yue Liang Wan health project	498,000	88.30	88.30	Self-funding/loan	–
Others	–	–	–	–	–
Total	498,000	–	–	–	–

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.18 Right-of-use assets**

Item	Plant and buildings	Total
I. Original Cost:		
1. 1 January 2024	49,617	49,617
2. Increase	12,239	12,239
(1) Additions	12,239	12,239
3. Decrease	3,895	3,895
(1) Transfer	3,895	3,895
4. 31 December 2024	57,961	57,961
II. Accumulated depreciation		
1. 1 January 2024	9,937	9,937
2. Increase	11,760	11,760
(1) Provision	11,760	11,760
3. Decrease	2,823	2,823
(1) Transfer	2,823	2,823
4. 31 December 2024	18,874	18,874
III. Provision for impairment		
1. 1 January 2024	—	—
2. Increase	—	—
3. Decrease	—	—
4. 31 December 2024	—	—
IV. Carrying amount		
1. 31 December 2024	39,087	39,087
2. 1 January 2024	39,680	39,680



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.19 Intangible assets

(1) Intangible assets

Item	Land use right	Patent right	Software	Franchise right	Others	Total
I. Original Cost						
1. 1 January 2024	834,286	257,816	180,650	690,735	1,544	1,965,031
2. Increase	452	310	20,750	21,775	–	43,287
(1) Additions	–	218	12,146	–	–	12,364
(2) Others	452	92	8,604	21,775	–	30,923
3. Decrease	707	–	286	–	–	993
(1) Disposal	–	–	286	–	–	286
(2) Others	707	–	–	–	–	707
4. 31 December 2024	834,031	258,126	201,114	712,510	1,544	2,007,325
II. Accumulated amortization						
1. 1 January 2024	251,451	255,873	142,630	–	396	650,350
2. Increase	19,682	1,219	8,479	–	34	29,414
(1) Provision	19,682	1,219	8,479	–	34	29,414
3. Decrease	–	–	132	–	–	132
(1) Disposal	–	–	132	–	–	132
4. 31 December 2024	271,133	257,092	150,977	–	430	679,632
III. Provision for impairment						
1. 1 January 2024	–	–	–	–	–	–
2. Increase	–	–	–	–	–	–
3. Decrease	–	–	–	–	–	–
4. 31 December 2024	–	–	–	–	–	–
IV. Carrying amount						
1. 31 December 2024	562,898	1,034	50,137	712,510	1,114	1,327,693
2. 1 January 2024	582,835	1,943	38,020	690,735	1,148	1,314,681

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.20 Development costs**

Item	1 January 2024	Increase	Decrease	31 December 2024
Integrated management and control platform	3,823	–	–	3,823
Geotechnical data intelligence system development	755	236	991	–
Others	138	839	139	838
Total	4,716	1,075	1,130	4,661

5.21 Goodwill**(1) Original Cost**

The name of the invested entity	1 January 2024	Additions for the period		Reductions for the period		31 December 2024
		Arising from business combination	Others	Disposal	Others	
China Non-ferrous Metals Industry Huakun Engineering Construction Co., Ltd.	579	–	–	–	–	579
Kunming Kehui Electric Co., Ltd.	296	–	–	–	–	296
Total	875	–	–	–	–	875



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.22 Long-term deferred expenses

Item	1 January 2024	Increase	Decrease		31 December 2024
			Amortization	Others	
Rental cost of the underground garage of Twelfth Metallurgical Company	8,743	–	256	–	8,487
Site renovation costs	3,574	199	1,799	–	1,974
Fuping Steel Structure Factory	7,196	–	1,664	–	5,532
Others	14,176	54,883	40,492	–	28,567
Total	33,689	55,082	44,211	–	44,560



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.23 Deferred tax assets and deferred tax liabilities

(1) Unoffset deferred tax assets and deferred tax liabilities

Item	31 December 2024		31 December 2023	
	Deductible/ taxable temporary differences	Deferred tax assets/liabilities	Deductible/ taxable temporary differences	Deferred tax assets/liabilities
Deferred tax assets:				
Provision for impairment of credit losses and assets	6,417,609	1,050,054	5,936,163	1,019,812
Deductible tax losses	664,429	105,281	762,512	118,108
Retirement and termination Benefits	367,614	69,546	459,706	86,030
Changes in fair value of other equity instrument Investments	30,311	4,891	21,025	3,154
Lease impact	2,289	377	—	—
Others	95,620	14,587	71,845	11,337
Subtotal	7,577,872	1,244,736	7,251,251	1,238,441
Deferred tax liabilities:				
Appreciation on asset From appraisal for business combinations involving entities not under common control	257,755	51,416	270,616	53,428
Changes in fair value of other equity instrument investment	—	—	3,558	589
Lease impact	3,468	505	3,394	508
Changes in fair value of held-for-trading financial assets	—	—	506	76
Others	496,754	49,676	495,337	49,803
Subtotal	757,977	101,597	773,411	104,404



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.23 Deferred tax assets and deferred tax liabilities (Continued)

- (2) **Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset:**

Item	Offset amount of deferred tax assets and liabilities at the end of the period	Deferred tax assets or liabilities after offset at the end of the period	Offset amount of deferred tax assets and liabilities at the end of last year	Deferred tax assets or liabilities after offset at the end of last year
Deferred tax assets	30,941	1,213,795	32,761	1,205,680
Deferred tax liabilities	30,941	70,656	32,761	71,643

- (3) **Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are listed as follows:**

Item	31 December 2024	31 December 2023
Deductible temporary differences	2,313,910	2,551,062
Including: Provision for impairment of credit losses and assets	2,082,037	2,386,015
Changes in fair value of other equity instrument investment	29,362	42,918
Retirement and termination benefits	202,511	122,129
Deductible losses	3,356,438	3,253,026
Total	5,670,348	5,804,088



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.23 Deferred tax assets and deferred tax liabilities (Continued)

- (4) Deductible losses, for which no deferred tax assets are recognized, will expire in the following years:

Year	31 December 2024	31 December 2023
2024	—	90,222
2025	379,857	411,204
2026	350,689	350,689
2027	263,274	263,274
2028	358,171	358,171
2029	274,396	146,333
2030	542,573	761,139
2031	77,634	77,634
2032	307,395	307,395
2033	486,965	486,965
2034	315,484	—
Total	3,356,438	3,253,026

5.24 Other non-current assets

Item	31 December 2024	31 December 2023
Long-term contract assets	124,503	684,033
Turnover materials	241,881	256,201
Prepayment for property purchased	—	54,581
Assets held for disposal	27,946	19,322
Others	572	1,919
Subtotal	394,902	1,016,056
Less: Provision for impairment	20,541	525,068
Total	374,361	490,988



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.24 Other non-current assets (Continued)

- (1) Movements in impairment of credit losses for other non-current assets are listed as follows:

Item	Opening balance	Movement				Closing balance
		Accrued	Reverse	Written off (Decrease)	Others	
Long-term contract assets	501,475	-357	-	-	-500,497	621
Others	23,593	-3,673	-		-	19,920
Total	525,068	-4,030	-		-500,497	20,541

5.25 Short-term loans

- (1) Short-term loans by category are listed as follows:

Item	31 December 2024	31 December 2023
Credit loans	984,074	1,336,851
Pledged loans	305	6,997
Total	984,379	1,343,848

Note: As at 31 December 2024, the company obtained short-term loans amounting to RMB305 thousand by pledging accounts receivable with a carrying value of RMB305 thousand, as well as all the rights and interests and revenues under the contracts to which the accounts receivable belonged.

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.26 Bills payable**

Item	31 December 2024	31 December 2023
Commercial acceptance bills	—	—
Bank acceptance bills	3,343,445	3,837,044
Total	3,343,445	3,837,044

5.27 Accounts payable

Aging analysis of accounts payable (including accounts payable from related parties) based on the transaction date is as follows:

Item	31 December 2024	31 December 2023
Within 1 year	7,687,083	8,606,023
1 to 2 years	1,233,807	2,428,404
2 to 3 years	592,116	495,913
More than 3 year	811,234	1,021,856
Total	10,324,240	12,552,196

(1) Including: material accounts payable aged over 1 year

Item	31 December 2024	Reasons for non-repayment or non-carryover
Company 1	29,176	Payment conditions not satisfied yet
Company 2	27,297	Payment conditions not satisfied yet
Company 3	26,899	Payment conditions not satisfied yet
Company 4	26,082	Payment conditions not satisfied yet
Company 5	20,888	Payment conditions not satisfied yet
Total	130,342	—



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.28 Receipts in advance

Item	31 December 2024	31 December 2023
Rental	3,651	1,613

5.29 Contract liabilities

Item	31 December 2024	31 December 2023
EPC project general contracting and construction	2,899,397	2,531,889
Equipment manufacturing	868,615	1,017,718
Design consulting	790,519	587,766
Total	4,558,531	4,137,373

Including: material contract liabilities aged over 1 year

Item	31 December 2024	Reasons for non-repayment or non-carryover
Company 1	122,573	Project not completed
Company 2	90,005	Project not completed
Company 3	92,339	Project not completed
Company 4	97,682	Project not completed
Company 5	29,008	Project not completed
Total	431,607	—

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.30 Employee compensation payables**

Item	1 January 2024	Accrued	Paid	31 December 2024
Short-term employee benefits	158,694	2,039,277	2,129,621	68,350
Post-employment benefits – defined contribution plans	14,701	267,056	266,996	14,761
Termination benefits	60,683	59,582	67,391	52,874
Total	234,078	2,365,915	2,464,008	135,985

(1) Short-term employee compensation

Item	1 January 2024	Accrued	Paid	31 December 2024
Salaries, bonuses, and allowances	110,704	1,487,335	1,567,521	30,518
Employee welfare	–	122,066	122,066	–
Social insurance	5,915	151,176	153,967	3,124
Including: 1. Medical insurance and Maternity insurance	5,549	142,293	144,979	2,863
2. Work-related injury insurance	366	8,883	8,988	261
Housing fund	7,719	168,203	167,913	8,009
Union fund and employee education fund	31,014	43,837	48,152	26,699
Other short-term employee benefits	3,342	66,660	70,002	–
Total	158,694	2,039,277	2,129,621	68,350



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.30 Employee compensation payables (Continued)

(2) Defined contribution plans

Item	1 January 2024	Accrued	Paid	31 December 2024
Post-employment benefits	14,701	267,056	266,996	14,761
Including: 1. Basic pension insurance	7,487	226,511	224,830	9,168
2. Unemployment insurance	942	8,872	8,904	910
3. Annuity	6,272	31,673	33,262	4,683
Total	14,701	267,056	266,996	14,761

5.31 Taxes payable

Item	31 December 2024	31 December 2023
Value added tax	123,500	87,659
Corporate income tax	64,423	34,166
Individual income tax	20,142	22,793
Urban maintenance and construction tax	5,301	6,851
Educational surcharges (including local education surcharge)	3,678	4,785
House property tax	2,380	2,723
Land use tax	1,829	1,405
Others	3,630	2,631
Total	224,883	163,013

5.32 Other payables

Item	31 December 2024	31 December 2023
Dividends payable	24,095	31,201
Other payables	1,506,661	1,508,476
Total	1,530,756	1,539,677



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.32 Other payables (Continued)

(1) Dividends payable

Item	31 December 2024	31 December 2023
Ordinary share dividend	2,409	2,409
Dividends on perpetual bonds classified as equity instruments	21,686	28,792
Total	24,095	31,201

(2) Other payables

Item	31 December 2024	31 December 2023
Guarantees and deposits payable	835,058	730,470
Payables for advances	193,426	301,005
Temporary payment	155,311	222,528
Others	322,866	254,473
Total	1,506,661	1,508,476

Including: significant other payables with aging of more than 1 year

Entity	Closing balance	Reasons for non-repayment or non-carryover
Company 1	22,060	Payment conditions not satisfied yet
Company 2	19,310	Payment conditions not satisfied yet
Company 3	16,970	Payment conditions not satisfied yet
Company 4	16,560	Payment conditions not satisfied yet
Company 5	11,600	Payment conditions not satisfied yet
Total	86,500	—



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.33 Non-current liabilities due within one year

Item	31 December 2024	31 December 2023
Long-term loans due within one year	2,010,871	1,414,590
Lease liabilities due within one year	5,970	10,158
Total	2,016,841	1,424,748

5.34 Other current liabilities

Item	31 December 2024	31 December 2023
Pending VAT output	1,522,370	1,392,043
Endorsed or discounted Bills receivable but not yet matured	184,793	184,185
Provisions	8,797	–
Total	1,715,960	1,576,228



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.35 Long-term loans

Item	31 December 2024	31 December 2023
Credit loans	8,479,071	7,225,797
Guaranteed loans	326,124	368,624
Subtotal	8,805,195	7,594,421
Less: long-term loans due within one year	2,010,871	1,414,590
Total	6,794,324	6,179,831

Note: As at 31 December 2024, the long-term loans rate range is 2.00% to 4.37%.

5.36 Lease liabilities

Item	31 December 2024	31 December 2023
Lease liabilities	36,252	39,506
Less: unrecognized financing expenses	2,204	3,220
Less: lease liabilities due within one year	5,970	10,158
Total	28,078	26,128



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.37 Long-term payables

Item	31 December 2024	31 December 2023
Special payables	–	1,069

(1) Special payables

Item	1 January 2024	Additions	Reductions	31 December 2024
Research funding for research and development of prototype of furnace- building robot for aluminum electrolysis cell lining	1,046	–	1,046	–
Others	23	–	23	–
Total	1,069	–	1,069	–

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.38 Long-term employee compensation payables**

Item	31 December 2024	31 December 2023
Post-employment benefits-net liabilities under defined benefit plan	494,271	496,124
Termination benefits	75,854	85,711
Subtotal	570,125	581,835
Less:Portion due within one year	52,874	60,683
Total	517,251	521,152

(1) Movements of defined benefit plan are listed as follows:

Present value of obligations of defined benefit plan

Item	31 December 2024	31 December 2023
I. Opening balance	581,835	628,919
II. Defined benefit cost included in current profit and loss	3,190	28,393
1. Current service cost	2,986	3,068
2. Past service cost	-11,778	8,945
3. Net interest	11,982	16,380
III. Defined benefit costs included in other comprehensive income	52,491	2,801
1. Actuarial gain	52,491	2,801
IV. Other changes	-67,391	-78,278
1. Benefits paid	-67,391	-78,278
V. Closing balance	570,125	581,835



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.38 Long-term employee compensation payables (Continued)

(1) **Movements of defined benefit plan are listed as follows: (Continued)**

Net liabilities of defined benefit plan

Item	31 December 2024	31 December 2023
I. Opening balance	581,835	628,919
II. Defined benefit costs recognized in profit or loss for the period	3,190	28,393
III. Defined benefit costs recognized in other comprehensive income	52,491	2,801
IV. Benefits paid in the period	-67,391	-78,278
V. Closing balance	570,125	581,835

(2) **The key actuarial assumptions**

Item	31 December 2024	31 December 2023
Discount rate	1.75%	2.75%
Mortality rate	China Insurance Mortality Table (2010-2013)	China Life Insurance Mortality Table (2010-2013)
Annual increase rate of medical benefits	8.00%	8.00%
Annual growth rate of pension benefits for beneficiaries	4.50%	4.50%

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.39 Deferred income**

Item	1 January 2024	Additions	Reductions	31 December 2024
Government grants	79,662	31,180	48,360	62,482

Government grants recorded in deferred income refer to Note 7 GOVERNMENT GRANTS.

5.40 Share capital (Unit: thousand share)

Item	Opening balance	New share issued	Increase/Decrease(+,-)			Subtotal	Closing balance
			Bonus shares	Shares converted from provident fund	Others		
Aluminum Corporation of China Luoyang Engineering&Research Institute for Non-ferrous Metals Processing	2,176,759	-	-	-	-	-	2,176,759
National Council for Social Security Fund, PRC	86,925	-	-	-	-	-	86,925
Holders of overseas listed H shares	36,316	-	-	-	-	-	36,316
Public ordinary shareholders	363,160	-	-	-	-	-	363,160
	295,907	-	-	-	26,769	26,769	322,676
Total	2,959,067	-	-	-	26,769	26,769	2,985,836



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.41 Other equity instruments

Outstanding financial instruments	Date of issuance	Stock interest rate or interest rate	Issue price	Quantity	Amount	Expiration date or renewal status	Conversion conditions	Conversion
Industrial Bank Perpetual Trust Loan – Debt Financing Program	FY 2022	Determined through listing pricing and centralized allocation	100	10,000	969,000	3+N years	N/A	N/A
Postal Savings Bank of China-2023 First Medium Term Notes	FY2023	Determined through listing pricing and centralized allocation	100	15,000	1,497,600	2+N years	N/A	N/A
Postal Savings Bank of China-2023 Second Medium Term Notes	FY2023	Determined through listing pricing and centralized allocation	100	13,000	1,297,920	2+N years	N/A	N/A
Total	-	-	-	38,000	3,764,520	-	-	-

Movements in preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period:

Outstanding financial instruments	31 December 2023		Additions		Reductions		31 December 2024	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Industrial Bank Renewable Trust Loan	10,000	977,400	-	-	10,000	977,400	-	-
Industrial Bank Renewable Trust Loan	10,000	969,000	-	-	-	-	10,000	969,000
Postal Savings Bank of China-2023 First Medium Term Notes	15,000	1,497,600	-	-	-	-	15,000	1,497,600
Postal Savings Bank of China-2023 Second Medium Term Notes	13,000	1,297,920	-	-	-	-	13,000	1,297,920
Total	48,000	4,741,920	-	-	10,000	977,400	38,000	3,764,520



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.42 Capital reserves

Item	1 January 2024	Increase	Decrease	31 December 2024
Equity premium	910,049	36,674	–	946,723
Other capital reserves	–11,260	511,400	22,600	477,540
Total	898,789	548,075	22,600	1,424,263

Note 1: The Company's 2023 Restricted Stock Incentive Plan granted restricted stocks to the incentive targets for the first time, resulting in an increase of 36,674,000 in capital reserve – share premium for the current year. The amortization expense of the Restricted Stock Incentive Plan has resulted in an increase of 10,396,000 in other capital reserves for the current year.

Note 2: The Company's subsidiaries, Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited, CINF Engineering Co., Ltd. and Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd absorbed investments from minority shareholders, leading to an increase of 500,910,000 in capital reserve – other capital reserves for the year.

Note 3: Changes in other equity of the invested entities resulted in an increase of 94,000 in capital reserve – other capital reserves for the year.

Note 4: On April 12, 2024, the Company repaid the renewable trust loan – debt financing plan of Industrial Bank, resulting in a decrease of 22,600,000 in capital surplus – other capital surplus for the current year.



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.43 Treasury shares

Item	1 January 2024	Increase	Decrease	31 December 2024
Treasury shares	–	63,443	–	63,443

5.44 Other comprehensive income

(1) Other comprehensive income attributable to the Company in the balance sheet:

Item	1 January 2024	Movements during the period			31 December 2024
		Net-of-tax amount attributable to the Company	Less: previously recognized amount transferred to retained earnings		
I. Items that will not be reclassified to profit or loss	46,079	−43,740	−	2,339	
1. Remeasurement of net defined benefit plan	81,951	−39,283	−	42,668	
2. Changes in fair value of other equity instrument investments	−35,872	−4,457	−	−40,329	
II. Other comprehensive income reclassified into profit or loss	106,821	−6,708	−	100,113	
1. Translation differences arising from translation of foreign currency financial statements	106,821	−6,708	−	100,113	
Total other comprehensive income	152,900	−50,448	−	102,452	



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.44 Other comprehensive income (Continued)

(2) Other comprehensive income attributable to the Company in the income statement:

Item	Before-tax amount	Movements during the period			
		Less: previously recognized amount transferred to profit or loss	Less: income tax expense	Net-of-tax amount attributable to non- controlling interests	Net-of-tax amount attributable to the Company
I. Items that will not be reclassified to profit or loss	-57,783	-	-9,749	-4,294	-43,740
1. Remeasurement of net defined benefit plan	-52,491	-	-8,908	-4,300	-39,283
2. Changes in fair value of other equity instrument investments	-5,292	-	-841	6	-4,457
II. Other comprehensive income reclassified into profit or loss	-6,708	-	-	-	-6,708
1. Translation differences arising from translation of foreign currency financial statements	-6,708	-	-	-	-6,708
Total other comprehensive income	-64,491	-	-9,749	-4,294	-50,448



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.45 Special reserve

Item	1 January 2024	Increase	Decrease	31 December 2024
Production safety fee	218,980	372,066	323,330	267,716

5.46 Surplus reserve

Item	1 January 2024	Increase	Decrease	31 December 2024
Statutory surplus reserve	229,735	–	–	229,735

5.47 Retained earnings

Item	Amount incurred in the current period	Amount incurred in the previous period
Retained earnings as at 31 December 2023 (before adjustment)	–2,184,850	599,235
Total adjustments for opening retained earnings ("+ " for increase; "– " for decrease)	–	–
Retained earnings as at 1 January 2024 (after adjustment)	–2,184,850	599,235
Increase during the period	221,177	–2,657,963
Add: Net profits for the period attributable to shareholders of the Company	221,177	–2,657,963
Decrease during the period	164,997	126,122
Less: Appropriation for statutory surplus reserve	–	–
Dividend payable on perpetual bonds	164,997	126,122
Retained earnings as at 31 December 2024	–2,128,670	–2,184,850

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.48 Operating revenue and operating costs****(1) Operating revenue and operating costs**

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Operating revenue	Operating Costs	Operating revenue	Operating Costs
Revenue from principal activities	23,787,643	20,902,617	22,098,434	20,199,825
Other operating activities	215,612	170,243	238,737	180,026
Total	24,003,255	21,072,860	22,337,171	20,379,851

(2) Operating revenue and operating costs by major segments

Major segments	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Costs	Revenue	Costs
Principal activities:				
EPC project general contracting and construction	19,222,738	17,320,790	18,457,762	17,173,933
Equipment manufacturing	2,918,573	2,435,937	2,452,112	2,149,327
Design consulting	1,646,332	1,145,890	1,188,560	876,565
Subtotal	23,787,643	20,902,617	22,098,434	20,199,825
Other operating activities:				
Sales of materials	41,608	38,872	70,827	64,705
Lease revenue	68,020	30,979	75,576	39,154
Others	105,984	100,392	92,334	76,167
Subtotal	215,612	170,243	238,737	180,026
Total	24,003,255	21,072,860	22,337,171	20,379,851



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.48 Operating revenue and operating costs (Continued)

(3) Disaggregated information of operating income

① Operating revenue for the period by reporting segment

Segment	Amount incurred in the current period		Total
	Revenue from contracts with clients	Lease income	
EPC project general contracting and construction	19,314,637	18,799	19,333,436
Equipment manufacturing	2,926,320	30,756	2,957,076
Design consulting	1,694,278	18,465	1,712,743
Total	23,935,235	68,020	24,003,255

② Operating revenue for the period by revenue recognition time

Revenue recognition time	Amount incurred in the current period			Total
	EPC project general contracting and construction	Design consulting	Equipment manufacturing	
Recognised at a point in time	–	–	2,019,250	2,019,250
Recognised over a period time	19,333,436	1,712,743	937,826	21,984,005
Total	19,333,436	1,712,743	2,957,076	24,003,255

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.48 Operating revenue and operating costs (Continued)****(3) Disaggregated information of operating income (Continued)**

③ Details of operating revenue

Item	Amount incurred in the current period	Amount incurred in the previous period
Operating revenue	24,003,255	22,337,171
Less: Revenue not related to principal activities	215,612	238,737
Operating revenue net of revenue not related to principal activities and revenue lacking commercial substance	23,787,643	22,098,434

5.49 Taxes and surcharges

Item	Amount incurred in the current period	Amount incurred in the previous period
House property tax	28,552	29,949
Urban maintenance and construction tax	22,906	24,664
Stamp tax	20,730	24,333
Land use tax	13,424	13,319
Educational surcharges	10,421	11,199
Local educational surcharges	7,135	7,475
Others	1,734	4,747
Total	104,902	115,686

Note: The criteria of taxes and surcharges accrued and paid refer to Note 4. Taxation.



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.50 Selling and distribution expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	95,361	105,548
Travel expenses	9,798	9,628
Business expense	4,595	6,118
External service expense	4,826	3,081
Bidding service expense	2,009	3,522
Rental expense	1,269	1,231
Sales service expense	873	1,163
Depreciation and amortization	235	1,012
Insurance expense	943	807
Warehousing and logistics	442	719
Others	12,807	8,265
Total	133,158	141,094

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.51 General and administrative expenses**

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	594,054	723,475
Depreciation and amortization	100,585	111,307
Intermediary expenses	69,686	58,904
Travel expenses	36,489	33,017
Office expenses	41,503	40,127
Litigation expense	10,943	21,531
Rental expense	10,109	28,039
Business expenses	20,500	17,640
Repair expense	10,215	11,055
Utilities expense	9,600	10,606
Service expense	9,484	5,892
Tax	2,865	2,507
Party development expenses	1,683	907
Publicity expense	1,448	4,507
Others	68,002	65,219
Total	987,166	1,134,733



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.52 Research and development expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	482,615	415,064
Raw materials and main materials	407,604	412,748
Outsourced R&D expenses	49,665	70,094
Depreciation and amortization	6,532	9,537
Auxiliary expense	6,232	3,222
Fuel and power	1,299	1,913
Other expenses	7,085	30,731
Total	961,032	943,309

5.53 Finance expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Total interest expense	369,274	422,358
Less: interest capitalization	20,897	23,801
Interest expense-Lease liability	1,484	1,141
Less: interest income	120,962	136,495
Exchange gains or losses	-119,703	-81,503
Handling charges	42,913	26,414
Interest expenses – Actuarial expense	11,982	16,380
Others	30,228	34,768
Total	194,319	259,262

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.54 Other income**

Item	Amount incurred in the current period	Amount incurred in the previous period
Income related	8,189	3,831
Gain from Debt Restructuring	501	—
Total	8,690	3,831

5.55 Investment income

Item	Amount incurred in the current period	Amount incurred in the previous period
Gain on long-term equity investment accounted for under the equity method	18,056	32,548
Investment income from disposal of long-term equity investments	-629	7,231
Investment income during the holding period of other equity instrument investments	986	460
Investment income from debt reorganization	11,009	-821
Others	-6,083	-966
Total	23,339	38,452

5.56 Gains from change in fair value

Item	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets	4,844	506



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.57 Impairment of credit losses

Item	Amount incurred in the current period	Amount incurred in the previous period
Impairment of credit losses on accounts receivable	-300,059	-381,192
Impairment of credit losses on other receivables	-46,282	-119,274
Impairment of credit losses on long-term receivables	96,939	-19,100
Total	-249,402	-519,566

5.58 Impairment losses on assets

Item	Amount incurred in the current period	Amount incurred in the previous period
Impairment losses on contract assets	21,446	-1,306,764
Impairment losses on inventories	-23,744	-388,696
Impairment losses on fixed assets	-	-6,172
Other impairment losses	3,673	-133,208
Total	1,375	-1,834,840

5.59 Gains/(losses) from assets disposal

Item	Amount incurred in the current period	Amount incurred in the previous period
Gains from disposals of fixed assets	72	-2,947
Gains from disposals of other non-current assets	-	974
Gains from disposals of intangible assets	30	6
Gain on disposal of non-current assets in debt reorganization	1	-
Total	103	-1,967

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.60 Non-operating income**

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring gain or loss for the period
Approved unpayable balances	140,295	24,123	140,295
Income from fines	8,965	1,627	8,965
Income from relocation compensation	3,533	–	3,533
Court ordered refunds	3,456	–	3,456
Income from liquidated damages	1,517	710	1,517
Others	9,495	6,755	9,495
Total	167,261	33,215	167,261

5.61 Non-operating expenses

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring gain or loss for the period
Compensation expenses	25,037	11,162	25,037
Penalty expenses	15,517	5,081	15,517
Payment of back taxes and late charges	11,129	–	11,129
Loss on destruction and retirement of non-current assets	319	1,530	319
Others	17,127	8,822	17,127
Total	69,129	27,764	69,129



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.62 Income tax expenses

(1) Details of income tax expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Income tax expense for the year calculated according to the tax law and relevant regulations	169,066	75,328
Deferred income tax expense	-474	-186,199
Total	168,592	-110,871

(2) Reconciliation between income tax expenses and accounting profit is as follows:

Item	Amount incurred in the current period
Profits/losses before tax	436,899
Expected income tax expenses at applicable tax rate	65,534
Effect of different tax rates applied by subsidiaries	42,594
Adjustment to income tax of previous years	-252
Profit or Loss from Joint Ventures and Associates Accounted for under the Equity Method	-2,856
Effect of non-deductible costs, expenses and losses	11,082
Effect on opening balance of deferred tax due to changes in tax rate	46,946
Effect of using the deductible temporary differences or deductible losses for which no deferred tax asset was recognized in the previous period	-81,162
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognized this period	66,532
Effect of research and development expenses over-deduction	-27,240
Withholding Tax Discrepancies for Foreign Enterprise Owners	47,414
Income tax expenses	168,592



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.63 Notes on cash flow statement

(1) Proceeds from other operating activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Recovery of Deposits and Security Deposits	117,190	—
Interest on demand deposits received	119,352	134,350
Government grants received related to income	31,180	39,231
Cash received for payment on behalf Others	27,908	—
	144,174	6,446
Total	439,804	180,027

(2) Payment for other operating activities

Item	Amount incurred in the current period	Amount incurred in the previous period
R&D expense and intermediary fee paid	119,351	128,998
Net repayment of provisional receipts	107,579	29,808
Net imprests and transactions paid	67,217	176,118
Travel expense paid	46,287	33,017
Bank handling fees paid	42,913	26,414
Office expense paid	41,503	46,245
Hospitality expense paid	25,095	17,640
Leasehold storage and logistics fees paid	12,991	29,989
Litigation loss paid	10,943	21,531
Others	106,401	234,733
Total	58,280	744,493



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.63 Notes on cash flow statement (Continued)

(3) Payments from other investing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Net Cash Outflows from Disposal of Operating Units	4,985	—

(4) Proceeds from other financing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Proceeds from bond issuance	—	2,800,000



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.63 Notes on cash flow statement (Continued)

(5) Payment for other financing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of principal and interest of lease obligation	4,739	19,884
Perpetual bond issuance cost	5,214	24,880
Guarantee fees and other Incidental costs	35,916	—
Total	45,869	44,764

(6) Changes in liabilities arising from financing activities

Item	Opening balance	Change in Cash		Change in non-cash		Closing balance
		Cash inflow	Cash outflow	Interest accrued	others	
Short-term loans	1,343,848	2,777,800	3,137,648	379	—	984,379
Long-term loans	6,179,831	5,247,700	3,574,779	—	-1,058,428	6,794,324
Long-term loans due within one year	1,414,590	—	470,589	8,442	1,058,428	2,010,871
Lease liability	26,128	—	4,739	1,484	5,205	28,078
Total	8,964,397	8,025,500	7,187,755	10,305	5,205	9,817,652



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.64 Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

Item	Amount incurred in the current period	Amount incurred in the previous period
1. Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit/loss	268,307	-2,834,026
Add: Impairment losses on assets	-1,375	1,834,840
Impairment of credit losses	249,402	519,566
Depreciation of fixed assets	144,311	145,952
Depreciation of investment properties	27,422	23,539
Depreciation of right-of-use assets	11,760	9,890
Amortization of intangible assets	29,414	30,133
Amortization of long-term deferred expenses	44,211	48,788
Loss on disposal of fixed assets, intangible assets and other long-term assets ("—" for gains)	103	1,967
Loss on scrapping of fixed assets ("—" for gains)	319	1,530
Loss on changes in fair value ("—" for gains)	-4,844	-506
Finance expenses ("—" for income)	369,274	422,358
Investment loss ("—" for gains)	-23,339	-38,452
Decrease in deferred tax assets ("—" for increase)	-8,115	-187,774
Increase in deferred tax liability ("—" for decrease)	-987	-605
Decrease in inventories ("—" for increase)	-81,330	236,812
Decrease in contract assets ("—" for increase)	894,304	329,876
Decrease of operating receivables ("—" for increase)	-1,878,994	713,788
Increase of operational payables ("—" for decrease)	-2,734,161	-535,011
Net cash flows from operating activities	-2,694,318	722,665

**SECTION XII FINANCIAL REPORT****5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5.64 Supplementary information on cash flow statement (Continued)****(1) Supplementary information on cash flow statement (Continued)**

Item	Amount incurred in the current period	Amount incurred in the previous period
2. Material investing and financing activities not requiring the use of cash:		
Conversion of debt into capital	—	—
Convertible bonds due within one year	—	—
New right-of-use assets in the current period	12,239	43,351
3. Net changes in cash and cash equivalents:		
Closing balance of cash	3,166,948	3,339,604
Less: Opening balance of cash	3,339,604	6,857,364
Add: Closing balance of cash equivalents	—	—
Less: Opening balance of cash equivalents	—	—
Net increase/decrease in cash and cash equivalents	-172,656	-3,517,760



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.64 Supplementary information on cash flow statement (Continued)

- (2) Net cash flows related to the acquisition and disposal of subsidiaries during the period.

Item	Amount incurred in the current period
1. Cash or cash equivalents received during the period from the disposal of subsidiaries during the period	3,791
Less: Cash and cash equivalents held by the company on the date of loss of control.	822
Add: Cash or cash equivalents received in the current period from the disposal of subsidiaries in previous periods.	—
Net cash received from the disposal of subsidiaries.	2,969

- (3) Details of cash and cash equivalents

Item	31 December 2024	31 December 2023
1. Cash	3,166,948	3,339,604
Including: Cash in hand	1,514	1,359
Bank deposits available on demand	3,165,434	3,338,245
Other monetary funds available on demand	—	—
2. Cash equivalents	—	—
Including: Bond investments with a maturity of 3 months or less	—	—
3. Cash and cash equivalents as at 31 December 2024	3,166,948	3,339,604



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.65 Notes to statement of changes in shareholders' equity

- (1) Shareholders' contributions and decrease of capital for the period – other decrease of RMB63,351,000, including:
- ① The impact of minority shareholders' investments on capital reserve – other capital reserves amounted to RMB500,910 thousand for the following subsidiaries: Shenyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd., Changsha Engineering & Research Institute of Non-ferrous Metallurgy Co., Ltd., and China Non-ferrous Metals Industry Kunming Prospecting & Design Institute Co.,Ltd., with a corresponding decrease of RMB500,910 thousand in minority interests.
 - ② The Company recognized an increase of RMB94 thousand in its proportionate share of the capital reserves of an associate.
 - ③ The disposal of the non-wholly owned subsidiary, Shanxi Chinalco 12th Metallurgical New Materials Co., Ltd., resulted in a decrease of RMB4,142 thousand in minority interests.
- (2) Retained earnings

Other decrease of RMB164,997 thousand in retained earnings for the period is the impact of interest payments on perpetual bonds.



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.66 Foreign currency translation

(1) Items in foreign currency

Item	Closing balance in foreign currency	Exchange rate	Closing balance translated into RMB
Cash and cash equivalents	—	—	307,121
Including: USD	2,212	7.1884	15,898
IDR	565,042,204	0.0005	255,964
INR	33	0.0853	—
VND	38,837,728	0.0003	11,123
MYR	9,939	1.6199	16,100
SAR	3,903	1.9284	7,526
HKD	77	0.9260	72
GNF	325,066	0.0008	274
CDF	33,293	0.0029	96
EUR	5	7.5257	35
SGD	6	5.3214	30
PEN	1	1.9421	2
Accounts receivable	—	—	1,592,211
Including: USD	180,807	7.1884	1,299,711
IDR	545,922,441	0.0005	247,303
VND	93,566,176	0.0003	26,797
INR	27,147	0.0853	2,315
MYR	9,929	1.6199	16,085
Accounts payable	—	—	850,957
Including: USD	77,409	7.1884	556,449
IDR	631,179,870	0.0005	285,924
VND	28,073,973	0.0003	8,040
INR	3,319	0.0853	283
MYR	35	7.5257	260
Other accounts receivable	—	—	943,307
Including: USD	92,152	7.1884	662,424
IDR	618,758,353	0.0005	280,298
MYR	361	1.6199	585
Other accounts payable	—	—	1,114
Including: USD	15	7.1884	111
IDR	1,991,168	0.0005	902
INR	1,185	0.0853	101



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.66 Foreign currency translation (Continued)

(2) Foreign operations

Significant foreign entity	Principal place of business	Local reporting currency	Selection basis
Chalieco Hong Kong Corporation Limited	Hong Kong, China	USD	Business income
China Aluminum International Guinea Co., Ltd.	The Republic of Guinea	USD	Business income
China Aluminum International Guinea Development Co., Ltd.	The Republic of Guinea	USD	Business income

5.67 Assets with restricted ownership or use rights

Item	Closing carrying amount	Reason for restriction
Cash and cash equivalents	781,349	Frozen deposit, Letter of credit deposit, Letter of guarantee deposit, Bank's acceptance bill deposit
Accounts receivable	305	Pledged
Receivable financing	6,000	Pledged



SECTION XII FINANCIAL REPORT

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.68 Leases

(1) As the lessee

Item	Amount incurred in the current period
Interest expense of lease liability	1,484
Total cash outflows related to lease	12,769
Total	14,253

(2) As the lessor

1) For operating lease

Subsequent to balance sheet date	Closing balance
1st year	46,580
2nd year	37,988
3rd year	30,789
4th year	24,080
5th year	20,775
Total	160,212



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES

6.1 Interests in subsidiaries

(1) Material composition of the Company

Name	Business Type	Registered capital	Principal place of business	Place of incorporation	Business nature	Shareholding% Direct	Shareholding% Indirect	Acquisition method
China Non-ferrous Metals Processing Technology Co., Ltd.	1	164,150	Luoyang, Henan	High-tech Zone, Luoyang City	Technical development and equipment sales	92.35	-	2
China Sixth Metallurgical Construction Co., Ltd.	1	2,500,000	Zhengzhou, Henan	Hualie Road, Zhengzhou City	Construction projects	100.00	-	2
CINF Engineering Co., Ltd.	1	736,797	Changsha, Hunan	Furong District, Changsha City	Survey and design	64.90	-	2
Jiuye Construction Co., Ltd.	1	332,950	Xianyang, Shanxi	Weicheng District, Xianyang City, Shaanxi Province	Engineering construction	73.17	-	3
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	1	510,743	Shenyang, Liaoning	Heping District, Shenyang City	Engineering survey and design	60.22	-	1
China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	1	533,419	Taiyuan, Shanxi	Xinghualing District, Taiyuan City	Construction projects	100.00	-	2
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	1	753,208	Guiyang, Guizhou	Guanshanhu District, Guiyang City	Design consultancy	100.00	-	1
Kunming Prospecting Design Institute of China Non-ferrous Metals Industry Co., Ltd	1	208,500	Kunming, Yunnan	Panlong District, Kunming City	Engineering survey and design	60.30	-	2
Kunming Engineering & Research Institute of Non-ferrous Metallurgy Co., Ltd.	1	2,000	Kunming, Yunnan	Panlong District, Kunming City	Engineering survey and design	67.00	-	2

Note:

- 1) Business type: 1. Domestic non-financial subsidiaries; 2. Domestic financial subsidiaries; 3. Overseas subsidiaries; 4 public institutions, and 5 infrastructure units.
- 2) Means of acquisition: 1. Incorporation; 2. Business combination under common control; 3. Business combination not under common control; 4. Others.



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.1 Interests in subsidiaries (Continued)

(2) Material non-wholly owned subsidiaries:

Name	Percentage of ownership interest held by non-controlling interests %	Profit or loss attributable to non-controlling shareholders during the period	Dividend declared to non-controlling shareholders during the period	Balance of non-controlling interests as at the end of the period
CINF Engineering Co., Ltd.	35.10	–	–	949,616
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	39.78	–	–	521,211
Kunming Prospecting Design Institute of China Non-ferrous Metals Industry Co., Ltd	39.70	–	–	431,387
Jiuye Construction Co., Ltd.	26.83	5,398	–	222,767

(3) Key financial information about material non-wholly owned subsidiaries:

Name	As at 31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CINF Engineering Co., Ltd.	3,616,173	970,745	4,586,918	2,056,849	137,613	2,194,462
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	1,993,640	288,235	2,281,875	905,349	55,140	960,489
Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	1,729,392	172,693	1,902,085	742,965	72,503	815,468
Jiuye Construction Co., Ltd.	8,454,357	1,257,270	9,711,627	6,369,687	1,536,011	7,905,698



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.1 Interests in subsidiaries (Continued)

(3) Key financial information about material non-wholly owned subsidiaries:
(Continued)

Name	Current assets	Non-current assets	As at 31 December 2023			
			Total assets	Current liabilities	Non-current liabilities	Total liabilities
CINF Engineering Co., Ltd.	2,758,189	965,280	3,723,469	2,348,774	172,416	2,521,190
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	1,294,752	302,980	1,597,732	919,154	63,624	982,778
Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	1,190,795	165,067	1,355,862	835,781	64,914	900,695
Jiuye Construction Co., Ltd.	8,113,993	1,277,044	9,391,037	6,500,721	1,054,271	7,554,992



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.1 Interests in subsidiaries (Continued)

(3) Key financial information about material non-wholly owned subsidiaries: (Continued)

Name	Amount incurred in the current period			Cash flows from operating activities
	Operating revenue	Net profit	Total comprehensive income	
Jiuye Construction Co., Ltd.	4,472,055	10,685	11,961	-1,731,118
CINF Engineering Co., Ltd.	2,451,939	113,896	100,928	95,791
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	1,231,998	54,669	49,168	187,157
Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	1,510,350	55,210	48,494	36,089

Name	Amount incurred in the previous period			Cash flows from operating activities
	Operating revenue	Net profit	Total comprehensive income	
Jiuye Construction Co., Ltd.	4,535,339	-343,879	-345,391	136,341
CINF Engineering Co., Ltd.	2,164,453	-227,975	-228,845	43,914
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	920,278	39,334	26,187	120,704
Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	1,250,158	42,318	46,477	117,336



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.2 Changes in the scope of consolidation due to other reasons

6.2.1 Former subsidiaries no longer included in the scope of consolidation during the period

(1) Basic information of former subsidiaries

No.	Name	Place of incorporation	Business nature	Shareholding (%)	Voting rights (%)	Reason
1	Luoyang Kaiying Technology Co.,Ltd.	Luoyang,Henan	consulting services	100.00	100.00	Deregister
2	Sixth Metallurgical Luoyang Construction Co.,Ltd.	Luoyang,Henan	Construction	100.00	100.00	Deregister
3	Huaian Tongyun Construction Co.,Ltd.	Huaian, Jiangsu	Construction	100.00	100.00	Deregister
4	Mianxian Jiuye Kindergarten	Hanzhong, Shanxi	preschool education	100.00	100.00	Equity transfer
5	Jiuye (Shaanxi) Construction Co.,Ltd.	Hanzhong, Shanxi	prospecting and design	100.00	100.00	Deregister
6	Duyun Development Zone Tongda Construction Co., Ltd.	Duyun, Guizhou	Construction	100.00	100.00	Deregister
7	Guizhou Yundu Real Estate Co., Ltd.	Duyun, Guizhou	Real estate development, Construction	100.00	100.00	Deregister
8	China Non-ferrous Metals Industry's 12th Metallurgical New Material Co., Ltd.	Taiyuan, Shanxi	Scientific research and technology services	66.00	66.00	Disposal



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.2 Changes in the scope of consolidation due to other reasons (Continued)

6.2.1 Former subsidiaries no longer included in the scope of consolidation during the period (Continued)

- (2) Financial position of subsidiaries sold during the period at the date of transfer

Item	China Non-ferrous Metals Industry's 12th Metallurgical New Material Co., Ltd.	
	Sale date	31 December 2023
Current assets	9,101	34,901
Fix assets	4,860	5,496
Current liabilities	1,993	6,470
Shareholder's equity	12,207	35,623

- (3) Financial performance of subsidiaries sold during the period at the transfer date

Item	China Non-ferrous Metals Industry's 12th Metallurgical New Material Co., Ltd.	
	31 December 2023 to sale date	Amount incurred in the current period
Expenses for the period	4,496	1,878
Operating profit/(losses)	-23,804	717
Profit/(losses) before income tax	-23,586	717
Income tax expenses	-169	-63
Net profit/(losses)	-23,417	780



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.2 Changes in the scope of consolidation due to other reasons (Continued)

6.2.2 Entities newly included in the consolidation scope during the period.

Name	Net assets at the end of the period	Net profit for the period
China Aluminum International Guinea Co., Ltd.	1,985	1,624
China Aluminum International Guinea Development Co., Ltd.	—	—

6.3 Interests in joint ventures or associates

(1) Material joint ventures or associates

Name	Principal place of business	Registration place	Business nature	Shareholding (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
① Joint ventures						
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	Shanghai	Shanghai	Investment company	40.00	—	Equity method
Zhongji Sunward Technology Co., Ltd.	Hunan	Hunan	Metallurgical equipment manufacturing	—	49.00	Equity method
② Associates						
Taikang Haowen construction Co., Ltd.	Henan	Henan	Building construction	—	47.50	Equity method
Loudi Haochuang development construction Co., Ltd.	Hunan	Hunan	Civil engineering construction	—	40.00	Equity method
Zhuzhou Tianqiao Crane Co., Ltd.	Hunan	Hunan	Manufacturing	3.80	—	Equity method



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.3 Interests in joint ventures or associates (Continued)

(2) Key financial information of material joint ventures

Item	Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)		Zhongji Sunward Technology Co., Ltd.	
	As at	As at	As at	As at
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Current assets	69,748	70,116	293,294	260,446
Non-current assets	–	–	17,805	10,711
Total assets	69,748	70,116	311,099	271,157
Current liabilities	11,608	10,550	190,577	151,342
Non-current liabilities	–	–	–	–
Total liabilities	11,608	10,550	190,577	151,342
Net assets	58,140	59,566	120,522	119,815
Adjustment:	–	–	–155	–270
Carrying amount of equity investment in joint ventures	8,778	8,843	59,211	58,709
Fair value of equity investments with publicly quoted prices	–	–	–	–



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.3 Interests in joint ventures or associates (Continued)

(2) Key financial information of material joint ventures (Continued)

Item	Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)		Zhongji Sunward Technology Co., Ltd.	
	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period
Operating revenue	–	–	182,161	173,134
Finance expenses	4	–24	–1	–530
Income tax expenses	–	–	478	–1,918
Net profit	–436	–167	8,278	10,120
Other comprehensive income	–	–	–	–
Total comprehensive income	–436	–167	8,278	10,120
Dividends received from joint ventures during the year	–	–	–	–



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.3 Interests in joint ventures or associates (Continued)

(3) Key financial information of material associates

Item	Taikang Haowen construction Co.,Ltd.		Loudi Haochuang development construction Co.,Ltd.		Zhuzhou Tianqiao Crane Co., Ltd.	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023	Closing balance (third-quarter report)	As at 31 December 2023
Current assets	49,752	126,652	49,103	77,371	3,294,655	3,264,920
Non-current assets	821,552	735,077	635,836	613,842	1,288,922	1,276,056
Total assets	871,304	861,729	684,939	691,213	4,583,578	4,540,977
Current liabilities	37,124	-32,451	18,139	21,413	2,046,955	1,922,259
Non-current liabilities	600,000	660,000	508,000	511,000	116,499	170,507
Total liabilities	637,124	627,549	526,139	532,413	2,163,454	2,092,766
Net assets	234,180	234,180	158,800	158,800	2,420,124	2,448,211
Company's share of net assets	108,640	108,640	100,000	100,000	175,094	174,424
Adjustments	-	-	-	-	-	-
Carrying amount of interests in associates	108,640	108,640	100,000	100,000	175,094	174,424
Fair value of investments in associates which have quoted market price	-	-	-	-	-	-



SECTION XII FINANCIAL REPORT

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.3 Interests in joint ventures or associates (Continued)

(3) Key financial information of material associates (Continued)

Item	Taikang Haowen construction Co.,Ltd.		Loudi Haochuang development construction Co.,Ltd.		Zhuzhou Tianqiao Crane Co., Ltd.	
	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in first three quarters (of fiscal year)	Amount incurred in the previous period
Operating revenue	-	-	-	-	1,069,574	1,733,431
Net profit	-	-	-	-	11,042	29,795
Other comprehensive income	-	-	-	-	-16,966	1,514
Total comprehensive income	-	-	-	-	-5,925	31,309
Dividends received from associates during this period	-	-	-	-	-	-

7. GOVERNMENT GRANTS

7.1 Government grants recognized in deferred revenue

Item	1 January 2024	Increase	Decrease	31 December 2024
Tongchuan New District Urban Roads + Underground Comprehensive Pipeline Corridor Overall Package PPP Project	51,900	-	-	51,900
Policy support payments for the overall relocation of the Shandong subsidiary	16,000	-	16,000	-
Others	11,762	31,180	32,360	10,582
Total	79,662	31,180	48,360	62,482



SECTION XII FINANCIAL REPORT

8. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Company's major financial instruments include cash at bank and on hand, bills receivable, accounts receivable, financing receivables, other receivables, non-current assets due within one year, other current assets, financial assets held for trading, other debt investments, long-term receivables, bills payable, accounts payable, other payables, short-term loans, non-current liabilities due within one year, long-term loans, bonds payable, lease liabilities, long-term payables. See relevant sections of this report for details on financial instruments. Risks associated with the above financial instruments and risk management policies adopted by the Company to reduce these risks are set out below. Management manages and monitors these risk exposures to ensure that the above risks are controlled within the prescribed range.

8.1 Risk management objectives and policies

The primary risks arising from the Company's financial instruments are credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other price risks).

The Company mitigates the risks associated with financial instruments through appropriate diversification of investments and business portfolios. Additionally, the Company has established corresponding risk management policies to reduce concentration risks related to a single industry, specific region, or particular counterparty.

Credit risk

Credit risk refers to the risk of financial loss to the Company arising from a counterparty's failure to meet its contractual obligations.

The Company's credit risk mainly involves cash at bank and on hand, bills receivable, accounts receivables, other receivables, long-term receivables. Specific measures to control this risk are as follows:

The Company's bank deposits are primarily held in state-owned banks and other large and medium-sized listed banks. The Company does not expect significant credit risk associated with these bank deposits.



SECTION XII FINANCIAL REPORT

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

Credit risk (Continued)

For bills receivable, accounts receivable, other receivables, and long-term receivables, the Company has established policies to control credit risk exposure. The Company assesses the creditworthiness of customers based on their financial condition, credit history, and other factors such as current market conditions, and sets appropriate credit terms accordingly. The Company regularly monitors customer credit records. For customers with poor credit records, the Company employs measures such as written reminders, shortening credit terms, or canceling credit terms to ensure that the overall credit risk remains within manageable limits.

The debtors of the Company's accounts receivable are customers distributed across different industries and regions. The Company continuously conducts credit assessments on the financial condition of accounts receivable and, where appropriate, purchases credit guarantee insurance.

The maximum credit risk exposure borne by the Company is the carrying amount of each financial asset as stated in the balance sheet. The Company has not provided any other guarantees that could expose it to additional credit risk.

Among the Company's accounts receivable, the receivables from the top five customers account for 12.18% (2023: 11.04%) of the total accounts receivable. Among the Company's other receivables, the receivables from the top five companies with the highest outstanding balances account for 32.37% (2023: 31.97%) of the total other receivables.



SECTION XII FINANCIAL REPORT

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

(1) Liquidity risk

Liquidity risk refers to the risk that the Company is short of funds when performing its settlement obligations by delivery of cash or other financial assets.

In managing liquidity risk, the Company maintains cash and cash equivalents at levels deemed sufficient by management and monitors them to meet operational needs and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of bank borrowings and ensures compliance with loan agreements. Additionally, the Company secures commitments from major financial institutions to provide adequate standby funding to meet both short-term and long-term financing needs.

The Company finances its working capital through funds generated from operating activities and borrowings from banks and other sources. As of the end of the period, the Company's unutilized bank borrowing facilities amounted to RMB39.4 billion (end of previous year: RMB40.0 billion).



SECTION XII FINANCIAL REPORT

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

(1) Liquidity risk (Continued)

The Company also considers negotiating with suppliers to extend payment terms through supplier financing arrangements or obtaining early funding by selling long-aged accounts receivable, thereby alleviating cash flow pressure.

The financial department continuously monitors the Company's short-term and long-term fund requirements to maintain adequate cash reserve. The Company utilizes multiple financing means including notes, bank borrowings and entrusted loans to maintain the balance between sustainability and flexibility of financing. The Company has obtained credit lines from several commercial banks with higher credit ratings to meet its demand for working capital and capital expenditure. Management monitors the use of bank borrowings and ensures compliance with loan agreements.

a. Market risk

Market risk refers to the risk that the fair value or future cash flow of financial instruments fluctuate as market prices changes, including exchange rate risk, interest rate risk and other price risks.



SECTION XII FINANCIAL REPORT

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

(1) Liquidity risk (Continued)

b. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments fluctuate due to changes in market interest rates. The Company's interest rate risk mainly arise from both recognized interest-bearing financial instruments and unrecognized financial instruments (e.g. certain loan commitments).

The Company's interest rate risk arises mainly from long-term interest-bearing debt such as long-term bank borrowings and bonds payable. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market conditions and maintains an appropriate mix of fixed-rate and floating-rate instruments through regular reviews and monitoring.

The Company closely monitors the impact of interest rate changes on the Company's interest rate risk. The Company does not currently have an interest rate hedging policy. However, management is responsible for monitoring interest rate risk and will consider hedging significant interest rate exposure when required. An increase in interest rates could increase the cost of new interest-bearing debt as well as interest expense on the Company's outstanding interest-bearing debt with floating interest rates and have a material adverse effect on the Company's financial results. Management will make timely adjustments based on the most recent market conditions, which may be in the form of interest rate swaps arranged to reduce interest rate risk.

For financial instruments held at the balance sheet date that expose the Company to fair value interest rate risk, the effect on net income and shareholders' equity in the sensitivity analysis above is the effect of re-measuring the above financial instruments at the new interest rate, assuming that the change in interest rates occurs at the balance sheet date. For floating rate non-derivative instruments held at the balance sheet date that expose the Company to cash flow interest rate risk, the impact on net profit and shareholders' equity in the above sensitivity analysis is the impact of the change in the above interest rates on interest expense or income estimated on an annualized basis. The analysis for the prior year was based on the same assumptions and methodology.



SECTION XII FINANCIAL REPORT

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

(1) Liquidity risk (Continued)

c. Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flow of financial instruments fluctuate due to changes in foreign exchange rates. The exchange rate risk mainly comes from financial instruments denominated in foreign currencies other than the functional currency.

Exchange rate risk mainly represents the exposure of the Company's financial position and cash flows to fluctuations in foreign exchange rates. Except for the subsidiary established in Hong Kong which holds assets denominated in Hong Kong dollars, there is only a small amount of Hong Kong market investment business, and the proportion of foreign currency assets and liabilities held by the Company to the overall assets and liabilities is insignificant. Therefore, the Company considers that the exposure to exchange rate risk is not material.

8.2 Capital management

The capital management policies of the Company are made to ensure the continuous operation of the Company, in order to provide returns to shareholders and benefits to other stakeholders and to maintain the optimum capital structure for minimizing capital costs.

In order to maintain or adjust the capital structure, the Company may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or dispose of assets to reduce its debts.



SECTION XII FINANCIAL REPORT

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.2 Capital management (Continued)

The Company manages its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debts are calculated as the total borrowings and other liabilities (including Short-term loans, Long-term loans due within one year and Bond payable due within one year, Bonds payable and Long-term loans) less cash and cash equivalents listed in Cash Flow Statement. Total capital includes shareholders' equity attributable to the parent company and non-controlling interest.

The Company monitors capital management by using the gearing ratio which is shown as follows:

Item	31 December 2024	31 December 2023
Short-term loans	984,379	1,343,848
Long-term loans due within one year	2,010,871	1,414,590
Long-term loans	6,794,324	6,179,831
Less: Cash and cash equivalents listed in Cash Flow Statement	3,166,948	3,339,604
Net debts	6,622,626	5,598,665
Total equity attributable to equity owners of the Company	8,845,065	7,254,500
Total capital	15,467,691	12,853,165
Gearing ratio	42.82%	43.56%



SECTION XII FINANCIAL REPORT

9. FAIR VALUE

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities.

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities.

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

As at 31 December 2024, the assets and liabilities measured at fair value are listed as follows according to the above three levels:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement	–	–	364,142	364,142
Financing receivables	–	–	321,003	321,003
Financial assets classified as FVOCI	–	–	43,160	43,160

At the end of the reporting period, the Company’s financial instruments measured at fair value were its subordinated shares in ABS and equity investments in small-scale entities, which do not have observable market quotations. The Company valuate such investments based on their future cash inflows. Under limited circumstances, if insufficient recent information is available to determine the fair value, or possible estimated amount of the fair value is widely distributed, and the cost represents the best estimate of the fair value within the range of distribution, the cost may represent an appropriate estimate of the fair value within the distribution range.



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

10.1 Information about the parent of the Company

Name	Registration place	Business nature	Registered capital (RMB0,000)	Shareholding percentage %	Percentage of voting rights %
Aluminum Corporation of China	PRC	Mineral resources (excluding oil and natural gas) development, non-ferrous metal smelting and processing, related trading and engineering and technical services	2,520,000	72.90	75.81

The ultimate controlling party of the Company is Aluminum Corporation of China (which is owned and controlled by SASAC). On 31 December 2024, China Aluminum Group directly held 72.90% equity interest in the Company and indirectly held 2.91% equity interest in the Company through its subsidiary, Luoyang Institute. China Aluminum Group held in aggregate a 75.81% equity interest in the Company.

10.2 Information about the subsidiaries of the Company

For details about the material subsidiaries of the Company, refer to Note 6.1.



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.3 Information about joint ventures and associates of the Company

For details about the material joint ventures and associates of the Company, refer to Note 6.3.

Other joint ventures or associates that had related-party transactions with the Company during the current period, or had balances resulting from related-party transactions with the Company in prior periods, are described below:

Name	Related party relationship
Yunnan Linshuang Expressway Co., Ltd.	An associate of the Company
Loudi Haochuang development construction Co.,Ltd.	An associate of the Company
Yunnan Miyu Expressway Investment and Development Co.,Ltd.	An associate of the Company
Yunnan Ningyong Expressway Co., Ltd.	An associate of the Company
Taikang Haowen construction Co.,Ltd.	An associate of the Company
Yunnan Linyun Expressway Co.,Ltd	An associate of the Company
Sichuan Chuannan Rail Transit Operation Co., Ltd.	An associate of the Company
Tongchuan Zhaojin Cadre College Construction Operation Management Co.,Ltd.	An associate of the Company
Guizhou Zhongcheng Education Construction Operation Management Co.,Ltd.	An associate of the Company
Guizhou Tongye Construction Development Co., Ltd.	An associate of the Company
Luoyang Huazhong Aluminum Co., Ltd.	An associate of the Company
Chinalco Shituo Intelligent Technology Co., Ltd.	An associate of the Company
Jiangsu CNPT-Rabily Industrial Co., Ltd.	An associate of the Company
Qinghai Chinalco Industrial Services Co.,Ltd.	An associate of the Company
Zhongji Sunward Technology Co., Ltd.	A joint venture of the Company



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties

Name	Related party relationship
Zunyi Aluminum Co., Ltd.	Ultimately controlled by the same parent
Zibo Dongshan Industrial Co., Ltd.	Ultimately controlled by the same parent
Zibo Dadi Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Chongqing Swa Construction Engineering Co., Ltd.	Ultimately controlled by the same parent
Chongqing Swa Mechanical & Electrical Equipment Engineering Co., Ltd.	Ultimately controlled by the same parent
Chongqing Guochuang Light Alloy Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shanxi Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Shanxi Chinalco Huarun Co., Ltd.	Ultimately controlled by the same parent
China Copper Tibet Mining Co., Ltd.	Ultimately controlled by the same parent
China Copper Mineral Resources Co., Ltd.	Ultimately controlled by the same parent
China Copper Huazhong Copper Co., Ltd.	Ultimately controlled by the same parent
China Copper Southeast Copper Co., Ltd.	Ultimately controlled by the same parent
China Copper (Shanghai) Copper Industry Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shanxi Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Chinalco Asset Management Co., Ltd.	Ultimately controlled by the same parent
Chinalco Capital Holdings Limited	Ultimately controlled by the same parent
Chinalco Zhongzhou Advanced Materials Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Zhongzhou Aluminum Co., Ltd.	Ultimately controlled by the same parent
Chinalco Zhongzhou Mining Co., Ltd.	Ultimately controlled by the same parent
Chinalco Intelligence Copper Innovation Science & Technology (Yunnan) Co., Ltd.	Ultimately controlled by the same parent
Chinalco Intelligent Digital Dimension (Hangzhou) Engineering Design & Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chinalco Intelligent Technology Development Co., Ltd.	Ultimately controlled by the same parent
Chalco Zhengzhou Nonferrous Metals Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chinalco Information Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Chinalco Southwest Aluminum Sheet & Strip Co., Ltd.	Ultimately controlled by the same parent
Chalco Materials Co., Ltd.	Ultimately controlled by the same parent
Chalco Materials Supply & Marketing Co., Ltd.	Ultimately controlled by the same parent
Chinalco Logistics Group (Chongqing) Co., Ltd.	Ultimately controlled by the same parent
The Middle International Inland Port of China Aluminum Logistics Group Ltd.	Ultimately controlled by the same parent



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Chinalco Logistics Group Co., Ltd.	Ultimately controlled by the same parent
Chinalco Logistics Group Southeast Asia International Land Port Co., Ltd.	Ultimately controlled by the same parent
Chinalco Investment Development Co., Ltd.	Ultimately controlled by the same parent
Chalco Special Aluminum (Chongqing) Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Shenyang Nonferrous Metal Processing Co., Ltd.	Ultimately controlled by the same parent
Chinalco Commercial Factoring Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Shanxi Aluminum Co., Ltd.	Ultimately controlled by the same parent
Chalco Shandong Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shandong Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shandong Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shandong Environment protection technology Co., Ltd.	Ultimately controlled by the same parent
Chalco Sapa Special Aluminum Materials (Chongqing) Co., Ltd.	Ultimately controlled by the same parent
Chinalco Lubrication Technology Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Ruimin Co.,Ltd.	Ultimately controlled by the same parent
Chalco Aluminum & Electric Co.,Ltd.	Ultimately controlled by the same parent
Chalco Qingdao Light Metal Co.,Ltd.	Ultimately controlled by the same parent
China Aluminum Ningxia Energy Group Co., Ltd.	Ultimately controlled by the same parent
Chalco Neimenggu Resources Development Co.,Ltd.	Ultimately controlled by the same parent
Minera China Ico Peru	Ultimately controlled by the same parent
Chinalco Luoyang Copper Co., Ltd.	Ultimately controlled by the same parent
Chinalco Luoyang Copper Processing Co., Ltd.	Ultimately controlled by the same parent
Chalco Mining Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Science and Technology Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chinalco Group Shanxi Jiaokou Xinghua Science and Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Environmental Protection and Energy Saving Group Co., Ltd.	Ultimately controlled by the same parent
China Copper Huazhong Copper Co., Ltd.	Ultimately controlled by the same parent
Chinalco Henan Aluminum Co., Ltd.	Ultimately controlled by the same parent
Chinalco Henan Luoyang Aluminum Processing Co., Ltd.	Ultimately controlled by the same parent
Chinalco Henan Luoyang Aluminum Foil Co., Ltd.	Ultimately controlled by the same parent
Chalco International Trade Co.,Ltd.	Ultimately controlled by the same parent



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Chalco International Trade Group Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Guangxi Nonferrous Rare Earth Development Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Industrial Service Co., Ltd.	Ultimately controlled by the same parent
Chinalco Innovation Development Investment Co., Ltd.	Ultimately controlled by the same parent
Chinalco Materials Application Research Institute Co.,Ltd.	Ultimately controlled by the same parent
China Aluminum Insurance Brokerage (Beijing) Co., Ltd	Ultimately controlled by the same parent
Chalco (Shanghai) Carbon Co.,Ltd.	Ultimately controlled by the same parent
China Changcheng Aluminum Co.,Ltd.	Ultimately controlled by the same parent
China Yunnan International Economic and Technical Cooperation Co.,Ltd.	Ultimately controlled by the same parent
China Copper Industry Co., Ltd	Ultimately controlled by the same parent
Chalco Zunyi Alumina Co.,Ltd.	Ultimately controlled by the same parent
Chalco Hong Kong Limited	Ultimately controlled by the same parent
Chalco Guinea Limited	Ultimately controlled by the same parent
Aluminum Corporation of China Limited	Ultimately controlled by the same parent
Zhengzhou Chinalco Construction and Development Co., Ltd.	Ultimately controlled by the same parent
Zhengzhou Yinjian Real Estate Co.,Ltd.	Ultimately controlled by the same parent
Zhengzhou Aluminum & Magnesium Technology Co.,Ltd.	Ultimately controlled by the same parent
Zhengzhou Aluminum City Labor Service Company	Ultimately controlled by the same parent
Yunnan Zhonghui Energy Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Yuntong Zinc Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Zexin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Yongxin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Logistik investment Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Runxin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Lvyuan Huibang Engineering Technology Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Huixin Economic and Trade Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Haixin Aluminum Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yuanxin Carbon Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Yongchang Lead & Zinc Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Renda Information Technology Industry Co.,Ltd.	Ultimately controlled by the same parent



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Yunnan Metallurgical Kunming Heavy Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Group Jinshui Property Management Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Group Co., Ltd.	Ultimately controlled by the same parent
Yunnan Wenshan Aluminum Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Mineral Resources Exploration and Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Technology Development Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Copper Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Senior Technical School	Ultimately controlled by the same parent
Yunnan Copper Real Estate Development Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Copper (Group) Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper (Group) Titanium Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Aluminium Co., Ltd.	Ultimately controlled by the same parent
Yunnan Lancang Lead Mining Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Keli Environmental Protection Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Jinsha Mining Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Jinding Zinc Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Haoxin Aluminum Foil Co., Ltd.	Ultimately controlled by the same parent
Yunnan Diging Nonferrous Metals Co., Ltd.	Ultimately controlled by the same parent
Yunnan Diqing Mining Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Defu Environmental Protection Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chuxiong Mining and Metallurgy Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong Resource Comprehensive Utilization Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong Zinc & Germanium Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong International Germanium Co., Ltd.	Ultimately controlled by the same parent
Yuxi Yuntong Real Estate Development Co.,Ltd.	Ultimately controlled by the same parent
Yuxi Mining Co, Ltd	Ultimately controlled by the same parent
Yuxi Dahongshan Mining Co, Ltd	Ultimately controlled by the same parent
Yimen Copper Co.,Ltd.	Ultimately controlled by the same parent
Yiliang Chihong Mining Co.,Ltd.	Ultimately controlled by the same parent
Xinbaerhuyouqi Yishengyuan Mining Co.,Ltd.	Ultimately controlled by the same parent



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Xinbaerhuyouqi Rongda Mining Co.,Ltd.	Ultimately controlled by the same parent
Southwest Aluminum (Group) Co., Ltd.	Ultimately controlled by the same parent
Xizang Xinhui Mining Co.,Ltd.	Ultimately controlled by the same parent
Xizang Jinlong Mining Co.,Ltd.	Ultimately controlled by the same parent
Northwest Aluminum Co.,Ltd.	Ultimately controlled by the same parent
Suzhou New Changguang Thermal Energy Technology Co.,Ltd.	Ultimately controlled by the same parent
Shanxi Chinalco Taiyue Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Shanxi Chalco Industry Service Co., Ltd.	Ultimately controlled by the same parent
Shanxi Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Shanxi 12th Metallurgical Asset Management Co.,Ltd.	Ultimately controlled by the same parent
Shanxi Longmen Aluminum Co., Ltd.	Ultimately controlled by the same parent
Shanxi Jinzheng Construction Project Management Co.,Ltd.	Ultimately controlled by the same parent
Shanxi Huaze Aluminum & Electrical Co.,Ltd.	Ultimately controlled by the same parent
Shanxi Huaxing Aluminum Co., Ltd.	Ultimately controlled by the same parent
Shanxi Huasheng Aluminum Industry Co., Ltd.	Ultimately controlled by the same parent
Shandong Yixing Carbon New Material Co.,Ltd.	Ultimately controlled by the same parent
Shandong Shanlv Environmental Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Shandong Aluminum Industry Vocational College	Ultimately controlled by the same parent
Shandong Aluminum Industry Co., Ltd.	Ultimately controlled by the same parent
Shandong Huayu Alloy Materials Co.,Ltd.	Ultimately controlled by the same parent
Qujing Yunlv Yuxin Aluminum Co., Ltd	Ultimately controlled by the same parent
Qujing Tuoyuan Real Estate Development Co.,Ltd.	Ultimately controlled by the same parent
Qinghai Hongxin Mining Co.,Ltd.	Ultimately controlled by the same parent
Qingdao Boxin Aluminum Co.,Ltd.	Ultimately controlled by the same parent
Pingguo Aluminum Co.,Ltd.	Ultimately controlled by the same parent
Ningxia Yinxing Coal Industry Co.,Ltd.	Ultimately controlled by the same parent
Ningxia Wangwa Coal Industry Co.,Ltd.	Ultimately controlled by the same parent
Ningde Yuntong Real Estate Co.,Ltd.	Ultimately controlled by the same parent
Neimengu Huayun Advanced Materials Co.,Ltd.	Ultimately controlled by the same parent
Luoyang Nonferrous Metal Processing Design and Research Institute Co., Ltd	Ultimately controlled by the same parent



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Longxi Northwest Aluminum Foil Co., Ltd.	Ultimately controlled by the same parent
Liangshan Mining Co.,Ltd.	Ultimately controlled by the same parent
Lao Mining Services Ltd.	Ultimately controlled by the same parent
Lanzhou Aluminum Co., Ltd	Ultimately controlled by the same parent
Lanzhou Liancheng Aluminum Co., Ltd	Ultimately controlled by the same parent
Lasa Tianli Mining Co.,Ltd.	Ultimately controlled by the same parent
Kunming Zhengji Real Estate Co.,Ltd.	Ultimately controlled by the same parent
Kunming Metallurgical Research Institute Co.,Ltd.	Ultimately controlled by the same parent
Jinlv Real Estate Development Co.,Ltd.	Ultimately controlled by the same parent
Hunan Changkan Business Management Co., Ltd.	Ultimately controlled by the same parent
Hunan Changkan Trade and Commercial Development Co., Ltd.	Ultimately controlled by the same parent
Hulunbeier Chihong Mining Co.,Ltd.	Ultimately controlled by the same parent
Honghe Yuntong Real Estate Development Co.,Ltd.	Ultimately controlled by the same parent
Heqing Yixin Aluminum Co.,Ltd.	Ultimately controlled by the same parent
Henan Zhongzhou Aluminum Construction Co.,Ltd.	Ultimately controlled by the same parent
Henan Chinalco Equipment Co., Ltd.	Ultimately controlled by the same parent
Henan Chinalco Construction Engineering Co., Ltd.	Ultimately controlled by the same parent
Henan Changxing Industrial Co., Ltd.	Ultimately controlled by the same parent
Henan Changlv Industrial Service Co.,Ltd	Ultimately controlled by the same parent
Henan Changcheng Zhongxin Industry Co.,Ltd.	Ultimately controlled by the same parent
Henan Changcheng IT Co., Ltd.	Ultimately controlled by the same parent
Henan Xinshang Technology Co.,Ltd.	Ultimately controlled by the same parent
Henan Jiuli Technology Co., Ltd.	Ultimately controlled by the same parent
Henan Huahui Nonferrous Engineering Design Co., Ltd.	Ultimately controlled by the same parent
Hejin Hongtai Fly Ash Development Co.,Ltd.	Ultimately controlled by the same parent
Hangzhou Knight Valve Co.,Ltd.	Ultimately controlled by the same parent
Harbin East Light Specialty Materials Co.,Ltd.	Ultimately controlled by the same parent
Guizhou Light Alloy New Material Retreat to Park Project	Ultimately controlled by the same parent
Guizhou Huaren Advanced Materials Co., Ltd.	Ultimately controlled by the same parent



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Guizhou Huajin Aluminum Co., Ltd.	Ultimately controlled by the same parent
Guiyang Aluminum & Magnesium Asset Management Co.,Ltd.	Ultimately controlled by the same parent
Guangxi Chinalco Construction Supervision and Consulting Co.,Ltd.	Ultimately controlled by the same parent
Guangxi Huasheng Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Gansu Hualu Aluminum Co.,Ltd.	Ultimately controlled by the same parent
Fushun Aluminium Co., Ltd.	Ultimately controlled by the same parent
Northeast Light Alloy Co., Ltd.	Ultimately controlled by the same parent
Daxinganling Jinxin Mining Co.,Ltd.	Ultimately controlled by the same parent
Chuxiong Dianzhong Nonferrous Metals Co.,Ltd.	Ultimately controlled by the same parent
Chifeng Yuntong Non-Ferrous Metal Co.,Ltd.	Ultimately controlled by the same parent
Chibi Changcheng Carbon Products Co.,Ltd.	Ultimately controlled by the same parent
Chihong Industrial Development (Shanghai) Co.,Ltd.	Ultimately controlled by the same parent
ChiHong Technology Engineering Co.,Ltd.	Ultimately controlled by the same parent
Beijing Chalco United Property Management Co.,Ltd.	Ultimately controlled by the same parent
Beijing Aluminum Energy Fresh Environmental Technology Co., Ltd.	Ultimately controlled by the same parent
Baotou Chinalco technology service development Co., Ltd.	Ultimately controlled by the same parent
Baotou Aluminium Co., Ltd.	Ultimately controlled by the same parent
China Ico Mining Corporation International	Ultimately controlled by the same parent
Taiyuan China Nonferrous Metal Industry and 12th Metallurgical Real Estate Development Co., Ltd.	An associate of our parent
Yunnan Sotong Yunnan Aluminum Carbon Material Co., Ltd.	An associate of our parent
Sichuan Liwu Copper Mining Co., Ltd.	An associate of our parent
Yunnan Tianye Chemical Co., Ltd	An associate of our parent
Yunnan Simao Shanshui Copper Company Limited	An associate of our parent
Beida Medical Zibo Hospital Co.,Ltd.	An associate of our parent
Baotou Sendu Carbon Co., Ltd.	An associate of our parent
Maguan Yunnan Copper and Zinc Industry Co., Ltd.	An associate of our parent
Yunnan Yunchuang Tender Co., Ltd.	An associate of our parent
Chalco Guizhou Industrial Service Co., Ltd.	An associate of our parent
Qinghai Haiyuan Aluminum Co.,Ltd.	An associate of our parent
Henan Changcheng Logistics Co., Ltd.	An associate of our parent



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
China Rare Earth Group Co.,Ltd.	An associate of our parent
Guangxi Hualei Advanced Materials Co., Ltd.	A joint venture of our parent
Chalco Zibo international trading Co.,Ltd.	A joint venture of our parent
Chongqing Shangjiangchen Real Estate Co., Ltd.	A joint venture of our parent
Guangxi Huayin Aluminum Industry Co., Ltd.	A joint venture of our parent
LI Yihua	Chairman
	Executive Director
LIU Jing	Executive Director
	General Manager
LIU Dongjun	Executive Director
ZHAO Hongmei	Executive Director
ZHANG Decheng	Non-executive Director
YANG Xu	Non-executive Director
ZHANG Yanan	Independent Non-executive Director
XIAO Zhixiong	Independent Non-executive Director
TONG Pengfang	Independent Non-executive Director
LIN Ni	Chairman of the Board of Supervisors
HE Wenjian	Supervisor
XIAO Hongmei	Employee Representative Supervisor
ZHOU Xinzhe	Non-executive Director
GUI Weihua	Former Independent Non executive Director
LIU Ruiping	Former Executive Director
	Deputy General Manager
ZHOU Dongfang	Deputy General Manager
TAO Fulun	Chief Financial Officer
	Secretary to the Board
BAI Jie	General Counsel, Chief Compliance Officer, General Manager, Legal Compliance Department



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties

(1) Purchases/sales

① Purchase of goods/receiving of services

Related party	Nature of transaction	For the year ended 31 December 2024	
		Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	Purchase engineering, construction services	126,241	0.71
Subsidiaries of China Aluminum Group	Procurement of main materials and auxiliary materials	34,219	1.40
Subsidiaries of China Aluminum Group	Back-up service and other business	16,999	12.94
Associates of the Company	Purchase engineering design services	15,592	0.09
Subsidiaries of China Aluminum Group	Purchase engineering design services	15,504	0.09
Associates of the Company	Back-up service and other business	662	0.46

Related party	Nature of transaction	For the year ended 31 December 2023	
		Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	Purchase engineering design services	48,113	0.30
Subsidiaries of China Aluminum Group	Procurement of main materials and auxiliary materials	31,320	0.19
Subsidiaries of China Aluminum Group	Back-up service and other business	23,823	31.28
Associates of the Company	Purchase engineering design services	19,854	1.06
Associates of the Company	Back-up service and other business	84	0.11

Note: The pricing of related party transactions negotiated between the parties by reference to market price.

**SECTION XII FINANCIAL REPORT****10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)****10.5 Transactions with related parties (Continued)****(1) Purchases/sales (Continued)****② Sales of goods/rendering of services**

Related party	Nature of transaction	For the year ended 31 December 2024	
		Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	EPC project general contracting and construction	5,114,597	26.32
Associates of the Company	EPC project general contracting and construction	706,933	3.64
Subsidiaries of China Aluminum Group	Design consulting	604,192	41.83
Subsidiaries of China Aluminum Group	Provide equipment manufacturing and sales	289,627	9.95
Joint venture of the Company	EPC project general contracting and construction	140,687	0.72
Joint venture of the Company	Provide equipment manufacturing and sales	110,229	3.79
Joint venture of the Company	Design consulting	45,182	3.13
Subsidiaries of China Aluminum Group	Back-up service and other business	39,822	37.57
Associates of the Company	EPC project general contracting and construction	4,060	0.02
Associates of the Company	Provide equipment manufacturing and sales	3,449	0.12
Associates of the Company	Design consulting	2,495	0.17
Associates of the Company	Design consulting	1,953	0.14
Joint venture of the Company	Design consulting	495	0.03
Associates of the Company	Back-up service and other business	271	0.26
Associates of the Company	Back-up service and other business	16	0.02



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(1) Purchases/sales (Continued)

② Sales of goods/rendering of services (Continued)

Related party	Nature of transaction	For the year ended 31 December 2023	
		Amount	Percentage to the same type of transaction (%)
Associates of the Company	EPC project general contracting and construction	2,171,530	12.37
Subsidiaries of China Aluminum Group	EPC project general contracting and construction	1,927,824	11.42
Subsidiaries of China Aluminum Group	Design consulting	584,150	21.17
Subsidiaries of China Aluminum Group	Provide equipment manufacturing and sales	193,213	7.88
Subsidiaries of China Aluminum Group	Back-up service and other business	30,766	12.89
Associates of the Company	Design consulting	2,297	0.11

Note: The pricing of related party transactions negotiated between the parties by reference to market price.



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(2) Leases

① As the lessor

Name of lessee	Name of lessor	Type of assets leased	Lease income recognized in the current period	Lease income recognized in the previous period
China Aluminum International (Tianjin) Construction Co., Ltd.	China Aluminum Shared Services (Tianjin) Co., Ltd.	Buildings	8,817	-
Jiuye Construction Co., Ltd.	Baotou Aluminum (Group) Co., Ltd.	Buildings	1,173	-
China Aluminum Great Wall Construction Co., Ltd.	China Aluminum (Zhengzhou) Aluminum Co., Ltd.	Land	423	846
Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	China Aluminum Bidding Co., Ltd.	Buildings	210	-
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	Guizhou Zhongcheng Education Construction Operation Management Co., Ltd.	Buildings	34	-
China Non-ferrous Metal Changsha Survey and Design Institute Co., Ltd.	Chinalco Intelligent (Hangzhou) Safety Science Research Institute Co., Ltd.	Buildings	-	476
China Non-ferrous Metal Changsha Survey and Design Institute Co., Ltd.	Chinalco Environmental Eco-Technology (Hunan) Co., Ltd.	Buildings	-	608

Note: The pricing of related party transactions negotiated between the parties by reference to market price.



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(2) Leases (Continued)

② As the lessee

Name of lessor	Name of lessee	Type of assets leased	Lease expenses recognized in the current period	Lease expenses recognized in the previous period
Yunnan Metallurgical Group Co., Ltd.	Kunming Engineering & Research Institute of Non-ferrous Metallurgy Co., Ltd.	Buildings	8,083	8,790
Hunan Changkan Trade and Commercial Development Co., Ltd.	China Non-ferrous Metal Changsha Survey and Design Institute Co., Ltd.	Buildings	2,946	300
Luoyang Non-ferrous Metal Processing Design and Research Institute Co., Ltd	China Non-ferrous Metals Processing Technology Co., Ltd.	Buildings	2,922	-
China Aluminum Shandong Co., Ltd	China Aluminum Shandong Engineering Technology Corporation Limited	Buildings	1,281	110
Suzhou Non-ferrous Metal Design and Research Institute Co., Ltd	China Non-ferrous Metals Processing Technology Co., Ltd.	Buildings	920	-
Zhuhai Changye Assets Management Co., Ltd.	CINF Engineering Co., Ltd.	Buildings	-	97



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(3) Guarantee

① As the guarantor

Guarantee holder	Amount of guarantee	Inception date of guarantee	Maturity date of guarantee	Guarantee expired (Y/N)
Yunnan Ningyong Expressway Co. Ltd	3,694,103	31 Oct 2019	20 Apr 2049	No
Yunnan Linyun Expressway Co. Ltd	2,809,717	31 Oct 2019	20 Dec 2048	No
Yunnan Linshuang Expressway Co. Ltd	1,851,552	12 Oct 2020	30 Dec 2046	No
Mian County Urban Rural Infrastructure Construction Co., Ltd	9,066	20 Oct 2015	19 Oct 2027	No

(4) Funding from related party

Related party	Amount of funding/deposit	Inception date	Maturity date	Interest rate	Interest expense/ interest income	Remarks
Funds received: Chinalco Finance Company Limited	4,729,038	29 Jul 2022 to 27 Sep 2024	15 May 2025 to 24 Sep 2027	2.43-4.75	133,555	Credit loan
Provide deposit service: Chinalco Finance Company Limited	1,466,513	-	-	0.525-1.755	18,618	Deposits at banks

(5) Remuneration of key management personnel

The Company has 15 key management personnel as of 31 December 2024, while 13 key management personnel as of 31 December 2023. Details about remuneration is as follows:

Item	For the year ended 31 December 2024	For the year ended 31 December 2023
Remuneration of key management personnel	5,763	6,537



SECTION XII FINANCIAL REPORT

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.6 Receivables from and payables to related parties

(1) Receivables from related parties

Item	Related party	As at 31 December 2024		As at 31 December 2023	
		Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Accounts receivable	Subsidiaries of China Aluminum Group	1,662,781	208,045	1,218,217	181,780
Accounts receivable	Joint ventures of China Aluminum Group	93,837	2,882	76,743	2,053
Accounts receivable	Associates of China Aluminum Group	25,096	3,557	26,023	2,244
Accounts receivable	Associates of the Company	1,449,312	62,105	692,234	39,830
Accounts receivable	Joint ventures of the Company	255	1	–	–
Other receivables	Subsidiaries of China Aluminum Group	85,458	17,570	115,219	29,036
Other receivables	Joint ventures of China Aluminum Group	1,007	255	998	214
Other receivables	Associates of China Aluminum Group	21,183	5,917	21,056	6,106
Other receivables	Associates of the Company	27,575	1,461	880	179
Other receivables	Associates of the Company	8	–	–	–
Prepayments	Subsidiaries of China Aluminum Group	11,029	–	9,768	–
Prepayments	Joint ventures of the Company	480	–	–	–
Prepayments	Associates of the Company	–	–	195	–

(2) Payables to related parties

Item	Related party	As at 31 December 2024	As at 31 December 2023
Accounts payable	Subsidiaries of China Aluminum Group	79,926	58,510
Accounts payable	Joint ventures of China Aluminum Group	29,225	6,525
Accounts payable	Associates of China Aluminum Group	646	147
Accounts payable	Associates of the Company	–	5,161
Other payables	Subsidiaries of China Aluminum Group	33,116	44,655
Other payables	Joint ventures of China Aluminum Group	81	6,525
Other payables	Associates of China Aluminum Group	235	147
Other payables	Associates of the Company	1,483	4,445

**SECTION XII FINANCIAL REPORT****10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS
(CONTINUED)****10.7 Contract assets and contract liabilities of related parties****(1) Contract assets**

Related party	As at 31 December 2024		As at 31 December 2023	
	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Joint ventures of China Aluminum Group	17,144	321	15,191	1,984
Associates of China Aluminum Group	4,750	1,731	2,362	12
Associates of the Company	1,167,409	89,321	1,711,914	42,320
Subsidiaries of China Aluminum Group	666,671	79,988	356,441	47,305

(2) Contract liabilities

Related party	As at 31 December 2024	As at 31 December 2023
Subsidiaries of China Aluminum Group	953,931	590,382
Joint ventures of China Aluminum Group	115,723	29,132
Associates of the Company	7,368	6,702
Associates of China Aluminum Group	1,605	2,972



SECTION XII FINANCIAL REPORT

11. SHARE-BASED PAYMENT

11.1 Overview of Share-based Payment

Categories of Grantees	Grants during the period		Exercises during the period		Vesting during the period		Lapses during the period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management Personnel	26,769	63,443	-	-	-	-	-	-
Total	26,769	63,443	-	-	-	-	-	-

Restricted Share Incentive Plan

At the 21th meeting of the 4th Board of Directors and the 17th meeting of the 4th Supervisory Committee held on June 18, 2024, the Company reviewed and approved the Proposal on the Initial Grant of Restricted Shares to Grantees under the 2023 Restricted Share Incentive Plan (the "Incentive Plan"). The Company determined June 18, 2024 as the initial grant date and granted 27,158,300 restricted shares at a grant price of RMB2.37 per share to 240 grantees who met the grant conditions.

During the process of completing the payment and capital verification after the initial grant date, 1 grantee voluntarily forfeited a portion of the restricted shares granted, and 3 grantees no longer met the grant conditions due to job adjustments and were therefore excluded from the grant. As a result, the actual number of grantees was 237, and the actual number of restricted shares granted was 26,769,600. Except for the above adjustments, the actual grant under the Incentive Plan is consistent with the restricted share grant approved at the 21th meeting of the 4th Board of Directors held on June 18, 2024.

On July 26, 2024, the Company completed the registration of the initial grant of restricted shares under the 2023 Incentive Plan with the China Securities Depository and Clearing Corporation Limited Shanghai Branch. The Company granted 26,769,600 restricted shares in this initial grant, representing 93.05% of the total restricted shares granted and 0.90% of the Company's total share capital before the grant. Additionally, 2,000,000 restricted shares were reserved for future grants, representing 6.95% of the total restricted shares granted and 0.07% of the Company's total share capital before the grant.



SECTION XII FINANCIAL REPORT

11. SHARE-BASED PAYMENT (CONTINUED)

11.1 Overview of Share-based Payment (Continued)

Restricted Share Incentive Plan (Continued)

The initial grant under the Incentive Plan covers a total of 237 grantees, including directors, senior management, other management personnel, and core technical (business) personnel employed by the Company (including its branches and subsidiaries) at the time of the plan announcement. The grantees exclude senior executives of central enterprises managed by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, as well as the Company's independent directors, external directors, supervisors, and shareholders (or their spouses, parents, and children) who individually or collectively hold 5% or more of the Company's shares or are actual controllers. Subject to the achievement of relevant performance targets, the restricted period and release schedule for the granted restricted shares under the Incentive Plan are as shown in the table below:

		Percentage of Shares Eligible for Release Relative to the Total Shares Granted
Release Schedule	Release Dates	
First Release Period for Initial and Reserved Grants	From the first trading day after the 24-month anniversary of the respective grant registration date to the last trading day within the 36-month period from the grant registration date.	40%
Second Release Period for Initial and Reserved Grants	From the first trading day after the 36-month anniversary of the respective grant registration date to the last trading day within the 48-month period from the grant registration date.	30%
Third Release Period for Initial and Reserved Grants	From the first trading day after the 48-month anniversary of the respective grant registration date to the last trading day within the 60-month period from the grant registration date.	30%



SECTION XII FINANCIAL REPORT

11. SHARE-BASED PAYMENT (CONTINUED)

11.2 Equity-settled Share-based Payments

Method for Determining the Fair Value of Equity Instruments on the Grant Date	The pricing reference date for the grant price of the initial restricted share grant is the announcement date of the draft 2023 Restricted Share Incentive Plan.
Key Inputs for Determining the Fair Value of Equity Instruments on the Grant Date	<p>The grant price shall not be lower than the par value of the shares and shall not be lower than the higher of the following:</p> <ol style="list-style-type: none"> ① 50% of the average trading price of the Company's shares on the 1 trading day prior to the announcement date of the plan, which is RMB2.35 per share; ② 50% of the average trading price of the Company's shares over the 20 trading days prior to the announcement date of the plan, which is RMB2.37 per share.
Basis for Determining the Number of Vested Equity Instruments.	Determined based on the performance conditions and estimated attrition rate for each release period.
Reasons for significant differences between current and prior period estimates.	Inapplicable
Cumulative amount of equity-settled share-based payments recognized in capital surplus.	10,397

11.3 Share-based payment expense for the period

Categories of Grantees	Equity-settled share-based payment expense	Cash-settled share-based payment expenses
Management Personnel	10,397	—
Total	10,397	—



SECTION XII FINANCIAL REPORT

12. COMMITMENTS AND CONTINGENCIES

12.1 Significant commitments

The Company and Yunnan Transportation Investment Construction Group Co., Ltd. (“Yunnan Transportation Investment”) jointly formed a non-government equity investor to work together with the local governments to invest in and establish three project companies, namely Yunnan Ningyong Expressway Co., Ltd. (“Ningyong Expressway”), Yunnan Linyun Expressway Co., Ltd. (“Linyun Expressway”) and Yunnan Linshuang Expressway Co., Ltd. (“Linshuang Expressway”), for the construction and operation of the said expressways under PPP mode. The shareholding of the Company, Yunnan Transportation Investment and the investment vehicle designated by the local governments in the three PPP project companies was 30%, 40% and 30% respectively.

The capital structure of each project company is as follow:

The investment vehicle designated by local government contributed 30% of total project investment (of which RMB30 million is the registered capital and the rest is capital reserve). The Company and Yunnan Transportation Investment respectively contributed RMB30 million and RMB40 million as paid-in registered capital.

Meanwhile, the Company and Yunnan Transportation Investment provide credit enhancement for the difference between the total investment and the capital contribution in proportion to their relative shareholding (3:4), and are liable for the financing for the operation period on a 42.86%:57.14% basis. Each shareholder is liable for the financing for the operation period of the project company according to their shareholding proportion.

According to the relevant agreements, the Company is required to provide credit enhancement up to RMB4.559 billion, RMB3.19 billion and RMB2.086 billion (up to RMB9.835 billion in total) for investment loans granted to Ningyong Expressway, Linyun Expressway and Linshuang Expressway respectively, and issue a letter of undertaking for deficiency. The letter of undertaking for deficiency should be signed up to the above amounts respectively after negotiation with relevant creditors.



SECTION XII FINANCIAL REPORT

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

12.1 Significant commitments (Continued)

As of balance sheet date, the Company has actually issued the letter of undertaking and provided credit enhancement as follows:

Ningyong Expressway was granted a credit line of RMB11 billion by the bank, and the Company has issued a letter of undertaking for deficiency as to RMB9.347 billion or 42.86% of the credit line. The bank has actually granted a loan of RMB8.619 billion, and the Company has provided credit enhancement for RMB3.694 billion of the loan.

Linyun Expressway was granted a credit line of RMB10.1 billion by the bank, and the Company has issued a letter of undertaking for deficiency as to RMB6.0 billion or 42.86% of the credit line. The bank has actually granted a loan of RMB5.85 billion, and the Company has provided credit enhancement for RMB2.507 billion of the loan.

Linshuang Expressway was granted a credit line of RMB9.9 billion by the bank, and the Company has issued a letter of undertaking for deficiency as to RMB4.32 billion or 42.86% of the credit line. The bank has actually granted a loan of RMB4.32 billion, and the Company has provided credit enhancement for RMB1.852 billion of the loan.



SECTION XII FINANCIAL REPORT

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

12.2 Contingencies

(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact

① The Company as the plaintiff

Plaintiff	Defendant	Cause	Amount claimed (RMB ten thousand)	Progress of the case
China Aluminum International Engineering Corporation Limited	Qingdao Xinfu Gongchuang Asset Management Co., Ltd., Shandong Real Estate Development Group Qingdao Company, LIANG Yongjian, WANG Xiaoning, Qingdao Liangyou Catering Co., Ltd.	Contract disputes	90,921.54	Arbitration suspended currently
China Sixth Metallurgical Construction Co., Ltd.	Xincai Development Investment Co., Ltd.	Construction project contract disputes	50,667.33	The case is currently in the first instance.
China Sixth Metallurgical Construction Co., Ltd.	Panzhou Ancient City Development and Management Co., Ltd., Guizhou Hongcai Investment Group Co., Ltd., The People's Government of Panzhou City, Panzhou Municipal Health Bureau	Construction project contract disputes	38,175.21	The case is currently in the first instance.
China Sixth Metallurgical Construction Co., Ltd.	Egyptian Celluloid Industries Group Ltd.	Construction project contract disputes	20,547.30	Arbitration suspended currently
CINF Engineering Co., Ltd.	Guizhou Energy and Mining Manganese Industry Group Co., Ltd., Southwest Energy and Mining Group Co., Ltd.	Construction project contract disputes	10,540.22	The case is currently in the first instance.



SECTION XII FINANCIAL REPORT

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

12.2 Contingencies (Continued)

(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact (Continued)

① The Company as the plaintiff (Continued)

Plaintiff	Defendant	Cause	Amount claimed (RMB ten thousand)	Progress of the case
China Sixth Metallurgical Construction Co., Ltd.	Hohhot Economic and Technological Development Zone Ruyi District Management Committee, Hohhot Economic and Technological Development Zone Boyuan Real Estate Development Co., Ltd.	Construction project contract disputes	8,278.50	The case is currently in the first instance.
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	Panjin Hetai Real Estate Development Co., Ltd.	Construction Project Contract Disputes	7,710.49	The case is currently in the second instance.
China Sixth Metallurgical Construction Co., Ltd.	Guizhou Hongcai Investment Group Co., Ltd., Guizhou Hongcai Real Estate Co., Ltd., Guizhou Hongcai Real Estate Development Co., Ltd.	Construction project contract disputes	7,361.68	The case is currently in the first instance.

**SECTION XII FINANCIAL REPORT****12. COMMITMENTS AND CONTINGENCIES (CONTINUED)****12.2 Contingencies (Continued)****(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact (Continued)**

② The Company as the defendant

Plaintiff	Defendant	Cause	Amount claimed (RMB ten thousand)	Progress of the case
Xincai County Development and Investment Co., Ltd.	Zhengzhou Zhonglv Construction and Development Co., Ltd., China Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	17,854.00	Under Court Acceptance currently
Nuclear Industry East China Construction Engineering Group Co., Ltd.	China Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	17,599.91	Under Court Acceptance currently
Baoji Huifeng Construction Engineering Co., Ltd.	Jiuye Construction Co., Ltd., Jiuye Construction Co., Ltd. Fifth Engineering Company, Baoji Disabled Persons' Federation	Construction project contract disputes	13,797.59	The case is currently in the first instance.
ZHAO Hongxiong, ZHU Wenli, LU Zhenyu	Hainan Captain Real Estate Development Co., Ltd., Chalco Great Wall Construction Co., Ltd., Hainan Weide Investment Co., Ltd., LI Liming	Construction project contract disputes	9,342.18	The case is currently in the first instance.
Zhumadian Development Zone Jiafucheng Property Co., Ltd.	China Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	9,000.00	The case is currently under arbitration.



SECTION XII FINANCIAL REPORT

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

12.2 Contingencies (Continued)

(2) Contingent liabilities arising from guarantee provided to other entities and related financial effects

As at 31 December 2024, the Company provided guarantees for the following loans:

Name of the guaranteed entity	Guarantee	Amount	Period	Remarks
Yunnan Ningyong Expressway Co., Ltd.	Loan guarantee	3,694,103	23 Dec 2053	–
Yunnan Linyun Expressway Co., Ltd.	Loan guarantee	2,507,310	23 Dec 2053	–
Yunnan Linshuang Expressway Co., Ltd.	Loan guarantee	1,851,552	6 May 2054	–
Mian County Urban Rural Infrastructure Construction Co., Ltd	Loan guarantee	9,066	19 Oct 2027	–
Total	–	8,062,031	–	–

13. POST BALANCE SHEET DATE EVENTS

As at 28 March 2025 (the date on which the report is approved by the Board of Directors), the Company has no other events after the balance sheet date to be disclosed.

14. OTHER SIGNIFICANT MATTERS

14.1 Segment reporting

For management purposes, the Company is organized into business units based on products and services with three reportable segments:

- (1) Design consulting business segment focuses on mining, mineral processing and engineering design for the energy, chemical and environmental protection industries;
- (2) EPC project general contracting and construction business segment focuses on metallurgical industry, municipal utilities and steel structures;
- (3) The Equipment Manufacturing segment focuses on customized core metallurgical and processing equipment, environmental protection equipment, mechanical and electronic equipment, industrial automation systems and mine safety monitoring and emergency response intelligent systems.

**SECTION XII FINANCIAL REPORT****14. OTHER SIGNIFICANT MATTERS (CONTINUED)****14.1 Segment reporting (Continued)****(1) Segment profit or loss, assets and liabilities**

At the end of current period	EPC			Total
	Design consulting	project general contracting and construction	Equipment manufacturing	
Operating revenue	1,712,743	19,333,436	2,957,076	24,003,255
Operating cost	1,198,138	17,421,284	2,453,438	21,072,860
Impairment losses on assets	-21,283	35,414	-12,756	1,375
Impairment of credit losses	-10,319	-238,691	-392	-249,402
Operating profits/(losses)	126,508	37,489	174,770	338,767
Profit/(losses) before income tax	100,790	161,492	174,617	436,899
Income tax expenses	14,940	134,809	18,843	168,592
Net profit/(losses)	85,850	26,683	155,774	268,307
Total assets	8,074,404	31,769,246	1,312,877	41,156,527
Total liabilities	4,849,615	25,577,525	1,884,322	32,311,462
Depreciation expense	40,734	102,581	40,372	183,687
Amortization expense	10,246	54,052	9,337	73,635



SECTION XII FINANCIAL REPORT

14. OTHER SIGNIFICANT MATTERS (CONTINUED)

14.2 Auditor's remuneration

Auditor's remuneration	Amount incurred for the current period	Amount incurred for the previous period
Total	5,100	5,100

14.3 Directors' and supervisors' emoluments

(1) Directors' and supervisors' emoluments

Director/ supervisor	Fee	Salary, subsidy, allowance and bonus Basic salary	Subsidy, allowance	Bonus	Contribution to social security and housing provident funds	Contribution to pension fund	Others	Total
Directors								
LIU Jing	-	200	10	400	160	-	1	771
LI Yihua	-	200	-	400	160	-	1	761
LIU Ruiping	-	180	16	360	160	-	1	717
LIU Dongjun	-	160	16	320	160	-	1	657
ZHAO Hongmei	-	160	16	320	160	-	1	657
ZHANG Decheng	-	-	-	-	-	-	-	-
YANG Xu	-	-	-	-	-	-	-	-
ZHANG Tingan	-	-	-	-	-	-	71	71
SIU Chi Hung	-	-	-	-	-	-	143	143
TONG Pengfang	-	-	-	-	-	-	143	143
GUI Weihua	-	-	-	-	-	-	71	71
ZHOU Xinzhe	-	-	-	-	-	-	-	-
HU Zhenjie	-	-	-	-	-	-	-	-
ZHANG Wenjun	-	-	-	-	-	-	-	-
Subtotal	-	900	58	1,800	800	-	433	3,991
Supervisors								
LIN Ni	-	-	-	-	-	-	-	-
HE Wenjian	-	-	-	-	-	-	-	-
XIAO Hongmei	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total	-	900	58	1,800	800	-	433	3,991



SECTION XII FINANCIAL REPORT

14. OTHER SIGNIFICANT MATTERS (CONTINUED)

14.3 Directors' and supervisors' emoluments (Continued)

(2) Five highest paid individuals

Among the five highest paid individuals of the Company for the year, there are 5 directors. Their emoluments have been reflected in the emoluments of directors and supervisors. The emoluments paid to the remaining 1 persons during the year are as follows:

Item	Amount incurred for the current period
Salary, subsidy, allowance and bonus	496
Contribution to social security and housing provident funds	160
Retirement benefits	—
Others	1
Total	657

Among the emoluments of the above 6 persons paid for the year, all of them were paid within RMB1 million.

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

15.1 Accounts receivable

(1) An aging analysis of accounts receivable is listed as follows:

Aging	31 December 2024		31 December 2023	
	Gross Carrying amount	Impairment of credit losses	Gross Carrying amount	Impairment of credit losses
Within 1 year	674,228	7,679	740,762	8,037
1 to 2 years	281,812	41,697	246,928	35,215
2 to 3 years	151,608	27,538	116,267	2,024
More than 3 years	735,539	419,314	631,350	384,671
Total	1,843,187	496,228	1,735,307	429,947



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.1 Accounts receivable (Continued)

- (2) Accounts receivable and impairment of credit losses by category are listed as follows:

Type	31 December 2024				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Impairment of credit losses on an individual basis	762,441	41.37	422,274	55.38	340,167
Impairment of credit losses on group basis	1,080,746	58.63	73,954	6.84	1,006,792
Including:					
Aging group	698,591	37.90	73,954	10.59	624,637
Accounts receivable from subsidiaries	382,155	20.73	–	–	382,155
Total	1,843,187	100	496,228	26.92	1,346,959

Type	31 December 2023				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Impairment of credit losses on an individual basis	529,276	30.50	336,586	63.59	192,690
Impairment of credit losses on group basis	1,206,031	69.50	93,361	7.74	1,112,670
Including:					
Aging group	913,699	52.65	93,361	10.22	820,338
Accounts receivable from subsidiaries	292,332	16.85	–	–	292,332
Total	1,735,307	100.00	429,947	24.78	1,305,360



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS
(CONTINUED)

15.1 Accounts receivable (Continued)

- (2) **Accounts receivable and impairment of credit losses by category are listed as follows: (Continued)**

Impairment of credit losses on an individual basis:

Name	31 December 2024			Reasons
	Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)	
Company 1	489,062	293,437	60.00	Note
Company 2	144,624	28,255	19.54	Note
Company 3	80,493	52,320	65.00	Note
Others	48,262	48,262	100.00	Note
Total	762,441	422,274	—	—

Note: The Company accruals impairment of credit losses for all or a portion of the amounts in conjunction with their expected recoverability.

- (3) **Movements in impairment of credit losses for accounts receivable are listed as follows:**

Item	Movement					Closing balance
	Opening balance	Accrued	Recover/ reverse (Decrease)	Written off (Decrease)	Others	
Individual basis	336,586	85,687	—	—	—	422,273
Group:	93,361	−19,406	—	—	—	73,955
Portfolio of credit risk characteristics	93,361	−19,406	—	—	—	73,955
Total	429,947	66,281	—	—	—	496,228



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.1 Accounts receivable (Continued)

- (4) As at 31 December 2024 accounts receivable from the five largest customers are listed as follows:

Entity	Carrying amount	Percentage in total accounts receivable (%)	Impairment of credit losses
Company 1	489,062	26.53	293,437
Company 4	404,252	21.93	2,021
Company 5	200,270	10.87	–
Company 2	144,624	7.85	28,255
Company 6	118,755	6.44	12,179
Total	1,356,963	73.62	335,892

15.2 Other receivables

Item	31 December 2024	31 December 2023
Interests receivable	356,888	356,888
Dividends receivable	502,313	786,857
Other receivables	6,419,660	4,596,794
Less: Impairment of credit losses	32,701	25,161
Total	7,246,160	5,715,378

(1) Interests receivable

Item	31 December 2024	31 December 2023
Entrusted loans	356,888	356,888
Less: Impairment of credit losses	–	–
Total	356,888	356,888



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS
(CONTINUED)

15.2 Other receivables (Continued)

(2) Dividends receivable

Investee	31 December 2024	31 December 2023	Reason for unrecovery	Impairment? (Y/N)
Dividends receivable within 1 year	88,386	147,009	–	–
Including:				
(1) China Non-ferrous Metal Changsha Survey and Design Institute Co., Ltd.	–	5,524	Not paid yet	No
(2) China Aluminum International Investment Management (Shanghai) Co., Ltd.	–	10,335	Not paid yet	No
(3) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	22,660	53,480	Not paid yet	No
(4) CINF Engineering Co., Ltd.	30,014	48,197	Not paid yet	No
(5) China Aluminum International Technology Development Corporation Limited	–	1,978	Not paid yet	No
(6) China Aluminum International Aluminum Application Engineering Co., Ltd.	–	5,550	Not paid yet	No
(7) Chinalco Southwest Construction Investment Co., Ltd.	19,711	13,869	Not paid yet	No
(8) Chinalco Tendering Co., Ltd.	–	8,076	Not paid yet	No
(9) China Aluminum International Yunnan Aluminum Application Engineering Co., Ltd.	16,000	–	Not paid yet	No



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.2 Other receivables (Continued)

(2) Dividends receivable (Continued)

Investee	31 December 2024	31 December 2023	Reason for unrecovery	Impairment? (Y/N)
Dividends receivable more than 1 year	413,927	639,848	–	–
Including:				
(1) China Non-ferrous Metal Changsha Survey and Design Institute Co., Ltd.	15,899	10,375	Not paid yet	No
(2) China Aluminium Great Wall Construction Co., Ltd.	–	21,252	Not paid yet	No
(3) Jiuye Construction Co., Ltd.	144,168	144,168	Not paid yet	No
(4) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	–	109,866	Not paid yet	No
(5) CINF Engineering Co., Ltd.	–	61,027	Not paid yet	No
(6) Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	38,990	66,084	Not paid yet	No
(7) China Sixth Metallurgical Construction Co., Ltd.	169,870	169,870	Not paid yet	No
(8) China Aluminum International Technology Development Corporation Limited	45,000	45,000	Not paid yet	No
(9) Chinalco Southwest Construction Investment Co., Ltd.	–	4,080	Not paid yet	No
(10) Chinalco Tendering Co., Ltd.	–	8,126	Not paid yet	No
Subtotal	502,313	786,857	–	–
Less: Impairment of credit losses	–	–	–	–
Total	502,313	786,857	–	–



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS
(CONTINUED)

15.2 Other receivables (Continued)

(3) Other receivables

- ① An aging analysis of other receivables is listed as follows:

Aging	31 December 2024	Impairment of credit losses	31 December 2023	Impairment of credit losses
Within 1 year	6,157,814	22,553	4,183,827	25
1 to 2 years	60,152	301	151,538	4,735
2 to 3 years	86,125	2,557	99,732	486
More than 3 years	115,569	7,290	161,697	19,915
Total	6,419,660	32,701	4,596,794	25,161

- ② Other receivables and impairment of credit losses by category are listed as follows:

Classified by impairment of credit losses method:

Type	Gross carrying amount		31 December 2024 Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Impairment of credit losses on an individual basis	90,223	1.41	22,556	25.00	67,667
Impairment of credit losses on group basis	6,329,437	98.59	10,145	0.16	6,319,292
Including:					
Aging group	30,308	0.47	10,145	33.47	20,163
Accounts receivable from subsidiaries	6,299,129	98.12	—	—	6,299,129
Total	6,419,660	100.00	32,701	0.51	6,386,959



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

- ② Other receivables and impairment of credit losses by category are listed as follows:
(Continued)

31 December 2023					
Gross carrying amount			Impairment of credit losses		Carrying amount
Type	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Impairment of credit losses on an individual basis	–	–	–	–	–
Impairment of credit losses on group basis	4,596,794	100.00	25,161	0.55	4,571,633
Including:					
Aging group	105,871	2.30	25,161	23.77	80,710
Accounts receivable from subsidiaries	4,490,923	97.70	–	–	4,490,923
Total	4,596,794	100.00	25,161	0.55	4,571,633



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY’S FINANCIAL STATEMENTS
(CONTINUED)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

- ② Other receivables and impairment of credit losses by category are listed as follows:
(Continued)

Impairment of credit losses on group basis:

Grouped items: Aging group

	31 December 2024			31 December 2023		
	Gross carrying amount	Percentage (%)	Impairment of credit losses	Gross carrying amount	Percentage (%)	Impairment of credit losses
Within 1 year	5,559	18.34	28	5,145	4.86	25
1 to 2 years	2,747	9.06	275	47,349	44.72	4,735
2 to 3 years	12,763	42.12	2,552	2,431	2.30	486
More than 3 years	9,239	30.48	7,290	50,946	48.12	19,915
Total	30,308	100.00	10,145	105,871	100.00	25,161



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

- ② Other receivables and impairment of credit losses by category are listed as follows:
(Continued)

Grouped items: Other receivables from subsidiaries

Item	31 December 2024		31 December 2023	
	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Accounts receivable from subsidiaries	6,299,129	—	4,490,923	—
Total	6,299,129	—	4,490,923	—

- ③ Impairment of credit losses

Impairment of credit losses in the first stage as at 31 December 2024

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	—	—	—	—
Impairment of credit losses on group basis	6,067,715	—	28	6,067,687
Aging group	5,559	0.50	28	5,531
Accounts receivable from subsidiaries	6,062,156	—	—	6,062,156
Total	6,067,715	—	28	6,067,687

**SECTION XII FINANCIAL REPORT****15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)****15.2 Other receivables (Continued)****(3) Other receivables (Continued)****③ Impairment of credit losses (Continued)**

Impairment of credit losses in the second stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	—	—	—	—
Impairment of credit losses on group basis	146,153	1.93	2,827	143,326
Aging group	15,510	18.23	2,827	12,683
Accounts receivable from subsidiaries	130,643	—	—	130,643
Total	146,153	1.93	2,827	143,326

Impairment of credit losses in the third stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	90,223	25.00	22,556	67,667
Impairment of credit losses on group basis	115,569	6.31	7,290	108,279
Aging group	9,239	78.90	7,290	1,949
Accounts receivable from subsidiaries	106,330	—	—	106,330
Total	205,792	14.50	29,846	175,946



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the first stage as at 31 December 2023

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	4,143,249	–	25	4,143,224
Aging group	5,145	0.51	25	5,120
Accounts receivable from subsidiaries	4,138,104	–	–	4,138,104
Total	4,143,249	–	25	4,143,224

Impairment of credit losses in the second stage as at 31 December 2023

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	251,270	2.08	5,221	246,049
Aging group	49,780	10.49	5,221	44,559
Accounts receivable from subsidiaries	201,490	–	–	201,490
Total	251,270	2.08	5,221	246,049



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the third stage as at 31 December 2023

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	161,697	12.32	19,915	141,782
Aging group	50,946	39.09	19,915	31,031
Accounts receivable from subsidiaries	110,751	–	–	110,751
Total	161,697	12.32	19,915	141,782

④ Movements in the impairment of credit losses of other receivables are listed as follows:

Impairment of credit losses	Stage I Expected credit losses over the next 12 months	Stage II Lifetime expected credit losses (no credit impairment)	Stage III Lifetime expected credit losses (credit impaired)	Total
Balance as at January 1, 2024	25	5,221	19,915	25,161
Balance as at January 1, 2024 in the current period	–14	–3,877	3,891	–
– Transfer to Stage II	–14	14	–	–
– Transfer to Stage III	–	–3,891	3,891	–
Additions	17	1,483	6,040	7,540
Balance as at December 31, 2024	28	2,827	29,846	32,701



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

- ⑤ As at 31 December 2024, other receivables from the five largest customers are listed as follows:

Entity	Nature	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Balance of impairment of credit losses
Company 1	Advance	275,984	Within 1 year	4.30	–
Company 2	Advance	211,631	Within 1 year	3.30	–
Company 3	Others	161,138	Within 1 year	2.51	–
Company 4	Advance	115,699	Within 1 year	1.80	–
Company 5	Advance	90,223	Within 1 year; 1-2 years; 2-3 years	1.41	22,556
Total	–	854,675	–	13.32	22,556



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS
(CONTINUED)

15.3 Long-term equity investments

Item	31 December 2023	Additions for the period	Reductions for the period	31 December 2024
Investment in subsidiaries	8,652,112	648,100	194,273	9,105,939
Investment in joint ventures	8,844	—	66	8,778
Investment in associates	250,088	12,987	13,601	249,474
Subtotal	8,911,044	661,087	207,940	9,364,191
Less: Impairment provision	387,947	—	—	387,947
Total	8,523,097	661,087	207,940	8,976,244

(1) Investment in subsidiaries

Investee	1 January 2024	Additions for the period	Reductions for the period	31 December 2024	Impairment provision in the current period	Impairment provision Closing balance
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	651,767	943	—	652,710	—	—
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	352,257	1,075	—	353,332	—	—
CINF Engineering Co., Ltd.	387,720	190,870	—	578,590	—	—
China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	1,955,781	151,150	—	2,106,931	—	—
Chalieco Trading Co., Ltd.	200,000	—	—	200,000	—	200,000
China Aluminum International (Tianjin) Construction Co., Ltd.	590,887	—	—	590,887	—	—
China Sixth Metallurgical Construction Co., Ltd.	1,203,000	990	—	1,203,990	—	—
China Non-ferrous Metals Processing Technology Co., Ltd.	720,479	932	—	721,411	—	—



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.3 Long-term equity investments (Continued)

(1) Investment in subsidiaries (Continued)

Investee	1 January 2024	Additions for the period	Reductions for the period	31 December 2024	Impairment provision in the current period	Impairment provision Closing balance
Duyun Development Zone Tongda Construction Co., Ltd.	5,000	–	5,000	–	–	–
China Aluminum International Technology Development Corporation Limited	60,000	–	–	60,000	–	–
Wenzhou Tongrun Construction Co., Ltd.	600	–	–	600	–	–
China Aluminum International Yunnan Aluminum Application Engineering Co., Ltd.	–	–	–	–	–	–
Wenzhou Tonghui Construction Co., Ltd.	27,000	–	–	27,000	–	–
China Aluminum International Investment Management (Shanghai) Co., Ltd.	505,739	–	–	505,739	–	–
China Non-ferrous Metal Changsha Survey and Design Institute Co., Ltd.	189,273	–	189,273	–	–	–
Changsha Tongxiang Construction Co., Ltd.	–	–	–	–	–	–
Challeco Hong Kong Corporation Limited	65,572	–	–	65,572	–	–
China Aluminum International Engineering (India) Private Limited	5,942	–	–	5,942	–	–
Guangxi Tongrui Investment Construction Co., Ltd.	50,000	–	–	50,000	–	–
Jiuye Construction Co., Ltd.	623,170	359	–	623,529	–	–

**SECTION XII FINANCIAL REPORT****15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS
(CONTINUED)****15.3 Long-term equity investments (Continued)****(1) Investment in subsidiaries (Continued)**

Investee	1 January 2024	Additions for the period	Reductions for the period	31 December 2024	Impairment provision in the current period	Impairment provision Closing balance
China Aluminum International Aluminum Application Engineering Co., Ltd.	144,500	–	–	144,500	–	–
Qingdao Xinfu Gongchuang Asset Management Co., Ltd.	9,000	–	–	9,000	–	–
China Aluminum Shandong Engineering Technology Corporation Limited	187,947	300,171	–	488,118	–	187,947
Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	363,458	1,046	–	364,504	–	–
Kunming Engineering & Research Institute of Non-ferrous Metallurgy Co., Ltd.	140,000	296	–	140,296	–	–
Chinalco Southwest Construction Investment Co., Ltd.	213,020	197	–	213,217	–	–
Chalieco Guinea Company Sarlu	–	71	–	71	–	–
Total	8,652,112	648,100	194,273	9,105,939	–	387,947



SECTION XII FINANCIAL REPORT

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15.3 Long-term equity investments (Continued)

(2) Investment in joint ventures & associates

Investee	Movements during the year ended 31 December 2024										Impairment provision Closing balance	
	Investment cost	1 January 2024	Increase in investment	Decrease in investment	Investment gain or loss recognised under equity method	OCI	Other equity movements	Cash dividends or profits declared	Loss allowance	Others		31 December 2024
(1) Joint venture												
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	40,000	8,844	-	-	-66	-	-	-	-	-	8,778	-
(2) Associates												
Chinalco Shituo Intelligent Technology Co., Ltd.	40,000	8,844	-	-	-66	-	-	-	-	-	8,778	-
Chinalco Tendering Co., Ltd.	230,836	250,098	-	-	12,987	-	-	13,601	-	-	249,474	-
Yunnan Ningyong Expressway Co., Ltd.	9,000	640	-	-	-640	-	-	-	-	-	-	-
Yunnan Linyun Expressway Co., Ltd.	5,000	23,819	-	-	12,957	-	-	13,601	-	-	23,175	-
Yunnan Lirshuang Expressway Co., Ltd.	15,000	12,279	-	-	-	-	-	-	-	-	12,279	-
Zhuzhou Tianqiao Crane Co., Ltd.	15,000	24,029	-	-	-	-	-	-	-	-	24,029	-
	15,000	14,896	-	-	-	-	-	-	-	-	14,896	-
	171,836	174,425	-	-	670	-	-	-	-	-	175,095	-
Total	270,836	258,932	-	-	12,921	-	-	13,601	-	-	258,252	-

**SECTION XII FINANCIAL REPORT****15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS
(CONTINUED)****15.4 Operating revenue and operating costs**

Major segments	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Revenue	Costs	Revenue	Costs
Principal activities:				
EPC project general contracting and construction	989,084	938,162	1,756,316	1,717,334
Design consulting	421,541	153,879	210,141	110,225
Equipment manufacturing	—	—	1,209	219
Subtotal	1,410,625	1,092,041	1,967,666	1,827,778
Other operating activities:				
Lease	1,617	—	35	—
Others	24,570	1,874	27,201	—
Subtotal	26,187	1,874	27,236	—
Total	1,436,812	1,093,915	1,994,902	1,827,778

15.5 Investment income

Item	For the year ended 31 December 2024	For the year ended 31 December 2023
Gain on long-term equity investment accounted for under the cost method	74,990	249,570
Gain on long-term equity investment accounted for under the equity method	12,921	14,440
Interest on Perpetual Bonds	88,090	38,997
Others	75,768	99,445
Total	251,769	402,452



SECTION XII FINANCIAL REPORT

16. SUPPLEMENTARY INFORMATION

16.1 Breakdown of non-recurring profit and loss for the period

Item	For the year ended 31 December 2024	Remarks
Gain or loss on disposal of non-current assets	103	—
Government subsidies recorded in current P&L (except government subsidies closely related to business operations granted continuously in a fixed amount or quota according to the unified national standards)	32,360	—
Financing fee from non-financial enterprises recorded in profit or loss	59,232	—
Reversal of impairment of credit losses for receivables and contract assets tested for impairment on an individual basis	277,197	—
Gains or losses on debt restructuring	11,510	—
Other non-operating income and expenses other than above items	98,132	—
Other profit and loss items correspond with the definition of non-recurring gains and losses	185	—
Total non-recurring profit and loss	478,719	—
Less: The impact of income tax	80,366	—
Net non-recurring profit and loss	398,353	—
Less: The impact on non-controlling interests	47,984	—
Non-recurring profit and loss attributable to ordinary shareholders of the company	350,369	—

16.2 Net asset yield and earnings per share

Profit for the reporting period	Weighted average net assets yield (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to ordinary shareholders	2.46%	0.0190	0.0188
Net profit attributable to ordinary shareholders net of non-recurring gain or loss	-12.96%	-0.0994	-0.0985



SECTION XIII FIVE-YEAR PERFORMANCE SUMMARY

(Expressed in RMB'000)

Item	2024	2023	2022	2021	2020
Total assets	41,156,527	40,943,803	47,391,289	60,022,757	55,931,938
Total equity	8,845,065	7,254,500	10,455,057	16,364,723	15,649,079
Revenue	24,003,255	22,337,171	23,697,329	23,898,723	24,717,823
Profit before tax	436,899	-2,944,897	284,975	-936,420	-1,858,046
Earnings per share (RMB)	0.02	-0.90	0	-0.41	-0.72
Return on net assets (%)	2.46	-41.87	1.53	-6.51	-12.14

Chairman: LI Yihua

Date of submission approved by the Board: 28 March 2025

INFORMATION ON AMENDMENT

☐ Applicable ☒ Not applicable



中鋁國際工程股份有限公司
China Aluminum International Engineering Corporation Limited



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