CHALIECO
中铝国际

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)

2026 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "**Board**") of China Aluminum International Engineering Corporation Limited (the "**Company**") is pleased to announce the unaudited results of the Company and its subsidiaries for the six months period ended 30 June 2026. This results announcement, containing the full text of the 2026 Interim Report of the Company, complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results and has been reviewed by the audit committee under the Board. The 2026 Interim Report of the Company will be published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Company at https://zlgj.chinalco.com.cn in September 2026, being available for viewing by the holders of H shares of the Company.

By Order of the Board
China Aluminum International Engineering Corporation Limited
TAO Fulun
Executive Director and Joint Company Secretary

Beijing, PRC, 13 August 2026

As at the date of this announcement, the non-executive Directors are Mr. LIU Changkui and Mr. WANG Dezhong; the executive Directors are Mr. LI Yihua, Mr. LIU Jing and Mr. TAO Fulun; the employee representative Director is Mr. LIU Dongjun; and the independent non-executive Directors are Mr. ZHANG Ting'an, Ms. HUI Lai Kwan and Mr. TONG Pengfang.

Corporate Vision

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

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

INTERIM REPORT HIGHLIGHTS

ABOUT CHALIECO

6 newly added scientific and technological achievements reaching the internationally leading level

22 provincial/ministerial-level QC achievement awards

10 provincial/ministerial-level quality awards

1 first prize of the National Science and Technology Progress Award

KEY OPERATING INDICATORS

Newly signed contracts of RMB**18.187** billion, representing a period-on-period increase of **10.89**%

Industrial contracts of RMB**17.978** billion
Accounting for **98.85**% of total newly signed contracts
Representing a period-on-period increase of **15.00**%

EPC turnkey contracts of RMB**8.932** billion
Accounting for **49.11**% of total newly signed contracts
Representing a period-on-period increase of **31.95**%

Design and consulting contracts of RMB**1.930** billion
Accounting for **10.61**% of total newly signed contracts
Representing a period-on-period increase of **60.54**%

Overseas contracts of RMB**4.857** billion
Accounting for **26.71**% of total newly signed contracts
Representing a period-on-period increase of **52.31**%

Net cash inflow from operating activities of RMB**288** million, representing a period-on-period increase of RMB**488** million in inflow

Overall gross profit margin of principal business at **14.56**%, representing a period-on-period increase of **3.72** percentage points

IMPORTANT NOTE

I. The Board, Directors, and senior management of the Company guarantee that the contents of the quarterly report are truthful, accurate and complete, free from any false statement, misleading representation or major omission, and are legally liable therefor on a several and joint basis.

II. All Directors of the Company attended the meeting of Board.

III. This interim report is unaudited.

IV. LI Yihua, the person in charge of the Company, TAO Fulun, the person in charge of accounting work, and CHANG Zhangpei, the person in charge of the accounting organ (the person in charge of the accounting function) undertake that: the financial report in this interim report is truthful, accurate and complete.

V. Proposal for Profit Distribution or Proposal for Converting Capital Reserve into Share Capital for the Current Reporting Period as Adopted by the Board

None

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 the Company may face mainly include safety and environmental risks, market changes and market competition risks, reform and business transformation risks, engineering project management risks, and international operation risks. For details, please refer to "V. Other Disclosures (I) Potential Risks" under Section 4 "Management Discussion and Analysis" of this Report. Investors' attention is drawn thereto.

XI. Others

✓Applicable ☐Not applicable

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

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<tr><td rowspan="2">Document directory for reference</td><td>Financial statements signed and stamped by the person in charge of the Company, the person in charge of accounting work, and the person in charge of the accounting department</td></tr>
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SECTION I DEFINITIONS

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

DEFINITION OF COMMON TERMS

"Articles of Association"	the Articles of Association of China Aluminum International Engineering Corporation Limited
"Board" or "Board of Directors"	the board of Directors of the Company
"Chinalco"	Aluminum Corporation of China (中國鋁業集團有限公司), our controlling shareholder
"Chinalco Capital"	Chinalco Capital Holdings Limited, a subsidiary of Chinalco
"Chinalco Finance"	Chinalco Finance Company Limited (中鋁財務有限責任公司), a subsidiary of Chinalco
"CINF"	Changsha Engineering & Research Institute Limited for Nonferrous 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 Nonferrous 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
"Company" or "Chalieco"	China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)
"Director(s)"	the directors of 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
"Group"	the Company and its subsidiaries
"HKEX Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"Kunming 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 by the Company
"Linshuang Expressway Company"	Yunnan Linshuang Expressway Co., Ltd.. The Company and its wholly-owned subsidiary, Sixth Metallurgical Company, respectively hold a 15% equity interest in Linshuang Expressway Company
"Linyun Expressway Company"	Yunnan Linyun Expressway Co., Ltd.. The Company and its wholly-owned subsidiary, Sixth Metallurgical Company, respectively hold a 15% equity interest in Linyun Expressway Company
"Luoyang Institute"	Luoyang Engineering & Research Institute for Nonferrous 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

SECTION I DEFINITIONS

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers
"Ningyong Expressway Company"	Yunnan Ningyong Expressway Co., Ltd.. The Company and its wholly-owned subsidiary, Sixth Metallurgical Company, respectively hold a 15% equity interest in Ningyong Expressway Company
"Reporting Period", "Current Reporting Period" or "Current Period"	January 2026 to June 2026
"SAMI"	Shenyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd. (瀋陽鋁鎂設計研究院有限公司), a subsidiary owned as to 60.22% by the Company
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Branch of CSDC"	Shanghai Branch of China Securities Depository and Clearing Co., Limited
"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
"SSE"	the Shanghai Stock Exchange
"SSE Listing Rules"	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"YAIC"	Yunnan Aluminum International Company Limited (雲鋁國際有限公司), whose controlling shareholder, Yunnan Aluminium Co., Ltd., is a subsidiary of Chinalco
"Zhongkan Institute"	Kunming Survey and Design Institute Co., Ltd. of China Non-ferrous Metals Industry (中國有色金屬昆明勘察設計研究院有限公司), a subsidiary owned as to 60.30% by the Company

SECTION II COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. CORPORATE INFORMATION

Chinese Name of the Company	中鋁國際工程股份有限公司
Abbreviation of Chinese Name of the Company	中鋁國際
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
Authorised representatives of the Company under the HKEX Listing Rules	LI Yihua, TAO Fulun

II. CONTACTS AND CONTACT INFORMATION

	Secretary to the Board, Joint Company Secretary[Note]	Representative for Securities Affairs
Name	TAO Fulun	MA Shaozhu
Contact address	Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海淀區杏石口路99號C座)	Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海淀區杏石口路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: The Company engages Mr. TAO Fulun and Ms. Ng Ka Man as joint company secretaries.

III. CHANGES IN 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 Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海淀區杏石口路99號C座)
Domestic office 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)
Postal code for domestic office of the Company	100093
The Company's principal place of business in Hong Kong	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
Index of changes during the Reporting Period	N/A

IV. CHANGES IN THE PLACES FOR INFORMATION DISCLOSURE AND REFERENCE

The Company's designated press media for information disclosure	Securities Daily (www.zqrb.cn), Securities Times (www.stcn.com)
Designated website for the interim report	www.sse.com.cn, www.hkex.com.hk
The interim report is available at	Board Office of Chalieco at Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海淀區杏石口路99號C座)
Index of changes during the Reporting Period	N/A

V. STOCK PROFILE

Share Class	Listed on	Stock Abbreviation	Stock Code	Previous Stock Abbreviation
A Shares	SSE	中鋁國際	601068	N/A
H Shares	The Stock Exchange	CHALIECO	02068	N/A

VI. OTHER RELEVANT INFORMATION

✓Applicable ☐Not applicable

Domestic accounting firm engaged by the Company	Name	Grant Thornton (Special General Partnership)
	Office address	5/F, Scitech Plaza, No. 22 Jianguomenwai Avenue, Chaoyang District, Beijing, China
	Names of signing accountants	LI Yang, GU Weitao
Legal advisor as to PRC laws engaged by the Company	Name	Jia Yuan Law Offices (北京市嘉源律師事務所)
	Office address	F408, Ocean Plaza, 15 Fuxing Men Nei Street, Xicheng District, Beijing
Legal advisor as to Hong Kong laws engaged by the Company	Name	Jia Yuan Law Office
	Office address	Suites 3502–3503, 35/F, One Exchange Square, 8 Connaught Place, 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 (香港中央證券登記有限公司)
	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)

VII. KEY ACCOUNTING FIGURES AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key Accounting Figures

Unit: '000 Currency: RMB

Key accounting figures	Current Reporting Period (From January to June)	Corresponding period of last year	Changes for Current Reporting Period as compared with the corresponding period of last year (%)
Operating revenue	**9,047,900**	9,698,350	–6.71%
Total profit	**221,481**	235,317	–5.88%
Net profit attributable to the shareholders of the listed company	**107,086**	102,589	4.38%
Net profit attributable to shareholders of the listed company, net of non-recurring gain or loss	**79,378**	55,926	41.93%
Net cash flows from operating activities	**288,446**	–199,300	Not applicable

	As at the end of the Current Reporting Period	As at the end of the last year	Changes for Current Reporting Period as compared with the end of the last year (%)
Net assets attributable to shareholders of the listed company	**6,905,561**	6,795,967	1.61%
Total assets	**40,563,646**	40,546,497	0.04%

(II) Key Financial Indicators

Key financial indicators	Current Reporting Period (From January to June)	Corresponding period of last year	Changes for Current Reporting Period as compared with the corresponding period of last year (%)
Basic earnings per share (RMB/share)	**0.02**	0.01	135.56%
Diluted earnings per share (RMB/share)	**0.02**	0.01	135.56%
Basic earnings per share, net of non-recurring gain or loss (RMB/share)	**0.01**	–0.01	Not applicable
Weighted average return on net assets (%)	**2.10**	0.96	1.14
Weighted average rate of return on net assets, net of non-recurring gain or loss (%)	**1.18**	–0.70	Not applicable

Explanation of key accounting figures and financial indicators of the Company

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

Non-recurring gain or loss	Amount	Note (as applicable)
Gain or loss on disposal of non-current assets, including reversal of provision for impairment of assets	–895	
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)	4,323	
Gains and losses from changes in the fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	–398	
Financing fee income from non-financial enterprises recorded in current profit and loss	162	
Reversal of provision for impairment of receivables tested separately for impairment	21,248	
Gain or loss on debt reorganization	8,632	
Other non-operating revenue and expenses other than the above items	5,996	
Less: Impact of income tax	5,746	
Impact of non-controlling interests (after tax)	5,614	
Total	27,708	

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.

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

Key accounting figures	Current Reporting Period (From January to June)	Corresponding period of last year	Change for the Current Reporting Period as compared with that of the same period of last year (%)
Net profit after deducting the impact of share-based payments	**155,058**	164,809	–5.92%

XI. OTHERS

☐Applicable ✓Not applicable

SECTION III CHAIRMAN STATEMENT

Dear shareholders,

On behalf of the Board of the Company, I would like to present to you the 2026 Interim Report of Chalieco and express my sincere gratitude to each and every one of you for your long-term care and support for Chalieco!

During the first half of 2026, the Company advanced various work streams steadily in accordance with its annual work plan, achieving notable progress in production and operations, scientific and technological innovation, digital and intelligent empowerment, and management transformation.

First, production and operations remained stable with steady progress. New contracts signed amounted to RMB18.187 billion, representing a year-on-year increase of 10.89%, of which industrial project contracts accounted for 98.85% of the total value of new contracts signed. Operating revenue reached RMB9.047 billion, with net profit attributable to shareholders of the listed company amounting to RMB107 million. Net cash inflow from operating activities was RMB288 million, and the cost-to-revenue ratio improved by 1.87 percentage points year-on-year.

Second, scientific and technological innovation achieved new breakthroughs. The project "Development and Application of Key Technologies for Precise Evaluation of Engineering Rock Mass Slope Stability", in which Zhongkan Institute was deeply involved, was honoured with the First Prize of the National Science and Technology Progress Award. A number of national key tasks, major special projects of Chinalco and key self-initiated projects were advanced as planned, with six new scientific and technological achievements reaching internationally leading levels.

Third, digital and intelligent empowerment improved in both quality and pace. The operations management system achieved full-tier rollout and application, the pilot deployment of the smart design desktop cloud platform was completed, five digital delivery standards were promulgated, and Smart Construction Site 2.0 is currently undergoing iterative upgrades. The Company initiated the development of 11 AI application scenarios and 21 intelligent agent projects, and made steady progress in the construction of high-quality datasets, including those for rock mass structural planes.

Fourth, management transformation made new strides. In the central state-owned enterprises "Science and Technology Reform Action" evaluation, the Company achieved a result of "one benchmark and five excellent", with its subsidiary CNPT maintaining its "benchmark" rating. The supply chain was systematically optimised, and competition in subcontractor tendering was enhanced. Annual reform tasks were advanced in depth, and the Company's systematic thinking and integrated operational capabilities were strengthened.

SECTION III CHAIRMAN STATEMENT

In the second half of the year, Chalieco will adhere to the approach of “High-Quality Party Building + Strengthened Operations, Promoting Transformation, Preventing Risks and Deepening Reform”, maintaining its strategic direction while stepping up its efforts, and continuing to drive implementation and deliver tangible results.

First, we will consolidate our ideological foundation and build a shared sense of purpose. We will guide the overall work with unified values, build strong execution capabilities, translate strategic objectives into measurable and assessable specific tasks, and promote the efficient implementation of decisions and plans. We will foster a robust team of capable officials and talented professionals to build momentum and reserve strength for long-term development.

Second, we will maintain strategic focus and build strong operational capabilities. We will adhere to the “Technology + International” development strategy, steadfastly pursuing market growth with core competitiveness and a virtuous cycle with positive cash flow. We will deliver high-quality projects and earn the long-term trust of the market through outstanding performance.

Third, we will focus on commercialisation and accelerate transformation and upgrading. Design enterprises will accelerate their transformation towards “Technology + Industry”, while construction enterprises will concentrate on core capabilities in mining, metallurgy and mechanical and electrical installation, continuously refining and excelling in their specialised fields. We will build a full-chain mining engineering service capability spanning exploration, design, construction and operations, accelerate the industrialisation of scientific and technological achievements, and strengthen digital and intelligent empowerment to support the Company’s high-quality development.

Fourth, we will uphold bottom lines and red lines, and ensure safe and coordinated development. We will deepen the three-year action plan for addressing fundamental safety issues in production, safeguarding both the Company’s lifeline and employees’ safety. We will accelerate the establishment of a compliance management system for overseas operations to mitigate overseas business risks. We will firmly exit non-core businesses and focus on principal operations, preventing and mitigating risks while concentrating on our primary responsibilities and core businesses, with a focus on optimising asset quality and enhancing core competitiveness.

Fifth, we will persist in deep reform and unleash internal momentum. We will advance the preparation, implementation and delivery of the new round of state-owned enterprise reform task list, ensuring a 100% completion rate for annual reform tasks. We will resolutely streamline the organisation and establish a position system with clear authority, clear responsibilities, and a lean and efficient structure. We will accelerate the reform of the market-oriented remuneration and assessment system, with rigid performance-based incentives.

Chairman: **LI Yihua**
13 August 2026

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS

I. DESCRIPTION OF THE INDUSTRY AND PRINCIPAL BUSINESS OF THE COMPANY FOR THE REPORTING PERIOD

(I) Industry Overview

In the first half of 2026, the non-ferrous metals industry operated steadily and positively overall, with growth achieved in multiple core indicators including production, investment, foreign trade, prices and benefits. The pace of transformation toward greener, more intelligent and more high-end development accelerated. The popularity of “energy metals” and “computing power metals” in the development of strategic emerging industries continued to rise, and the shift from old to new growth momentum accelerated. Fixed-asset investment in the non-ferrous metals industry increased by 0.4% year-on-year. Among this, investment in the non-ferrous metal mining and dressing industry maintained high growth, rising by 21.2% year-on-year, while investment in the non-ferrous metal smelting, rolling and processing segments decreased by 4.1%, presenting a clear divergent pattern of “expansion in upstream mining and contraction in dressing and midstream smelting”. Changes in the investment structure directly reflect the market focus of non-ferrous metal survey and design and engineering construction is shifting from traditional “newly built smelting capacity” toward “resource development, technical transformation, and green and digital/intelligent upgrading.” At the policy level, the Ministry of Industry and Information Technology and seven other departments jointly issued the “Work Plan for Stable Growth of the Non-ferrous Metals Industry (2025-2026)”, proposing targets such as an average annual growth of approximately 5% in the value-added of the non-ferrous metals industry during 2025-2026, and continuous improvement in green, low-carbon and digital development levels. Looking ahead to the second half of 2026, the growth rate of the non-ferrous industry’s value-added is expected to be higher than that in the first half, and the full-year industry value-added growth rate is expected to reach 2% to 3%. With the implementation of various policies at the beginning of the “15th Five-Year Plan” period, areas such as overseas resource development, green mines, intelligent smelting, and energy-saving and carbon reduction transformation continue to expand, opening up new development space for the survey and design and engineering construction sectors of the non-ferrous metals industry.

(II) Principal businesses and operation modes

The Company is a new-generation engineering and technology 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, 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 general contracting and engineering, and equipment manufacturing.

1. Design consulting business

Design consulting is 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 the business model to create a new form of business of "technology +". The Company's principal customers are domestic and overseas nonferrous metal mining, smelting, processing enterprises, as well as construction enterprises from construction and other industries. According to the contract, the Company assumes the corresponding risks of engineering project design and process equipment (product) design quality and schedule. Service fees are usually determined with reference to national survey fee standards and in combination with domestic and international market conditions and industry practice.

2. 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, as well as geological survey and building construction in the construction industry. The Company adopts a variety of engineering and construction contracting business models, including EPC, E+P, E+C, P+C, EPCM, etc., 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 nonferrous 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.

3. 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 provides 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.

Description of the Company's newly added important non-principal businesses during the Reporting Period

☐ Applicable ✓ Not applicable

II. OPERATING RESULTS DISCUSSION AND ANALYSIS

(I) Business overview of the first half of the year

In the first half of 2026, Chalieco focused on the overall work requirements set up at the beginning of the year, achieved certain results in multiple key areas such as production and operations, scientific and technological innovation, deepening reforms, and risk prevention and control. Newly signed contracts increased by 10.89% period-on-period; a number of major landmark EPC projects with industry influence, including Shanxi Zhaofeng Electrolytic Aluminum, Lanzhou New Area High-precision Aluminum Sheet, Strip and Foil, and Chongqing Bofeng Electrolytic Aluminum, were successively implemented. A project undertaken by Zhongkan Institute was awarded the First Prize of the National Science and Technology Progress Award.

1. Focusing on core responsibilities and principal businesses, pursuing excellence in contract performance

First, we achieved dual improvements of both “quality” and “quantity” of marketing efforts. In the first half of the year, newly signed contracts amounted to RMB18.187 billion, representing a period-on-period increase of 10.89%, of which newly signed industrial project contracts amounted to RMB17.978 billion, accounting for 98.85% of the amount of newly signed contracts. We insist on taking design companies as the pioneer and continuously strengthen the propelling role of engineering design and technical services. Newly signed EPC general contracting contracts amounted to RMB8.932 billion, representing a period-on-period increase of RMB2.163 billion.

Second, overseas business continued to grow. We strengthened efforts to promote overseas technological achievements and construction capabilities, successfully implemented the Pani Gold Mine project in Indonesia, achieving a breakthrough in overseas heavy non-ferrous EP business. We signed large-scale metallurgical equipment manufacturing contracts in, among others, Kazakhstan, with the scale of export of domestically produced large rolling mills and industrial furnaces reaching new highs.

Third, project performance continued to improve. We identified the first batch of 47 company-level key projects and implemented tiered and categorized management and control; we enhanced project performance quality in a unified manner, with significant progress in key projects: the Rizhao Port project has been put into operation; projects including Shanxi Advanced Materials, Jinding Zinc Industry and Liangshan Copper Industry have completed trial runs and achieved product output milestones; the Hongnipo project was recognized as a national-level safety production standardization construction site.

2. Taking innovation as the driving force and leadership, strengthening technological empowerment

First, we have coordinated efforts to formulate a cohesive force for scientific and technological innovation. We strengthened the implementation system for science and technology planning, formulated the "Technology R&D and Engineering Design Integrated Capability Enhancement Plan of Chalieco (2026–2028)", actively upgraded towards a full-chain integrated model of "technology R&D + equipment/products + integrated solutions + engineering services". We deepened the integration of industry, academia, research and application, collaborated with universities and research institutes to tackle technical challenges, hosted multiple industry forums, and integrated efforts to enhance technical exchanges. 6 national enterprise technology centers undertaken by our subsidiaries, including SAMI and GAMI, successfully passed the operational evaluation conducted by the National Development and Reform Commission.

Second, we continued to drive breakthroughs in key technology R&D. The "Key Technology Development and Application of Precise Stability Evaluation of Engineering Rock Mass Slopes" jointly filed by Zhongkan Institute was awarded the First Prize of the National Science and Technology Progress Award, achieving a historic breakthrough. We led the formulation of 3 national standards, 3 industry standards and 3 group standards, undertook 9 ongoing national key research tasks, had 2 patents selected as China Patent Excellence Awards, obtained 101 newly authorized invention patents, and actively worked to build a source of original green and low-carbon technologies for the non-ferrous metals industry.

Third, we comprehensively enhanced digital driving forces. We accelerated the construction of an integrated business management platform, which has now been launched and are operational at all levels of enterprises; we coordinated the design and development of the smart design desktop cloud platform and digital delivery platform and the iteration upgrade of the smart construction site platform. We launched the construction of artificial intelligence scenario projects; formulated a high-quality dataset construction plan, strengthened the foundation for intelligent implementation.

3. Advance reforms in depth and breadth, stimulate endogenous momentum

First, we have continued to advance comprehensive reforms. In the 2025 special assessment of "Science and Technology Reform Action" and "Double Hundred Action" of central state-owned enterprises organized by the SASAC, the 6 science and technology reform enterprises under the Company achieved excellent results of "one benchmark and five excellent". Among them, CNPT maintained the highest "benchmark" rating.

Second, we focused on promoting the reform of the management system. Focusing on building systematic management capabilities that are process-oriented, systematized and engineered, we promoted the reform of the management system, initially formed a systematized battle pattern featuring vertical connectivity and horizontal linkage, with the synergies among various management systems becoming increasingly evident.

4. Strengthening Bottom-Line Thinking and Tightening Risk Prevention and Control

First, we made every effort to promote law-abiding and compliant operations. Guided by the Three-Year Plan for Comprehensive Contract Management, we continued our efforts to drive improvements, focusing on the "seven-stage" closed-loop process (admission – review – signing – performance – payment – monitoring – closure) and implementing the "seven unifications" (organisational control structure, contract model texts, contract review procedures, contract seal management, contract ledger monitoring, unified file archiving, and system platform management), so as to achieve "seven 100%" targets (system go-live, text usage, joint review, signing before commencement, comprehensive disclosure, change confirmation, and dedicated file management). We implemented the principle of "three mandatory reviews for engineering projects", focusing on engineering audits and overseas operations, and conducted 113 project audits in the first half of the year.

Second, we strictly enforced and carefully managed safety and environmental protection measures. We implemented the concluding tasks of the three-year safety production fundamental strengthening campaign, strengthened the dual prevention system of tiered management and control of safety risks and hidden hazard investigation and remediation, managed high-risk and large engineering projects through a checklist-based approach, and conducted special investigations into hidden dangers throughout the entire safety production chain of third-party operating units, as well as rectification of major and significant accident risks. We promoted 1,139 SOPs, enhanced integrated safety production management and control capabilities and strived to improve the level of intrinsic safety.

(II) Outlook for the second half of the year

In the second half of the year, the Company will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, anchor itself to “high-quality Party building + strong operations, promoting transformation, preventing risks and deepening reforms”, so as to strengthen the effective improvement of operational quality and reasonable growth in volume.

1. **Deepen cultivation in the three major markets and promote the quality enhancement and volume growth of the market.** We shall ensure service and support for the internal market of Chinalco, expand into the domestic market outside the Group through technology leadership, and expand the scale of overseas business.

2. **Strength project performance and enhance performance quality.** We will focus on key projects, including the Simandou diesel generator plant and mine processing plant, and the Guangtou Qiangqiang Carbon Project, to ensure the achievement of milestone targets. We will further implement the special action for strengthening the overseas foundation, publish the Overseas EPC Project Management Manual, promote tiered and classified management and control of overseas projects, and implement the plan for building an internationalised talent team.

3. **Deepen scientific and technological innovation to enhance core competitiveness.** We will formulate the "15th Five-Year" science and technology development plan and the implementation plan for the commercialisation of research outcomes, and implement the plan for enhancing the integrated capability of research and development and engineering design. We will coordinate key core technology breakthroughs, including national major science and technology special projects, and complete a number of high-quality project acceptances. We will strengthen the "Technology + EPC/Equipment/Products" commercialisation model, accelerate pilot-scale verification and first-of-a-kind application of cutting-edge technologies, and bridge the last mile to achieve full deployment. We will accelerate the implementation of the digital and intelligent empowerment special action and the development of the digital and intelligent system, making scientific and technological innovation the strongest pillar for high-quality development during the "15th Five-Year" period.

4. **Tighten risk prevention and control to enhance safe development.** We will implement the safety production special action, strictly enforce the "Ten Tough Measures", and consolidate the responsibility chain. We will deepen special rectification of duty performance and compliance performance. We will improve the control list for overseas compliance and risk matters, and the local compliance checklist for overseas projects, and strictly implement list-based rectification and closure for issues identified through various supervisory inspections. We will enhance the quality of effective contracts, strengthen settlement and collection efforts, and win the battle to reduce and control inventories and receivables.

5. **Implement deep reform to drive extreme cost reduction and efficiency enhancement.** We will prepare and implement a high-standard new round of state-owned enterprise reform work ledger, adopting a wall-chart strategy and list-based tracking management. We will deepen the integrated management reform of construction operations and accelerate the release of integration synergies. We will advance key reform initiatives in a coordinated manner, including the Science and Technology Reform Action, supply chain management transformation, and improvement of the market-oriented remuneration and distribution mechanism. We will strengthen full-process project cost control, enhance centralised procurement, optimise financial management, and achieve cost savings and value creation.

(III) Contracts

From January to June 2026, the Company entered into 2,039 contracts in total, the total amount of which was RMB18.187 billion; as of 30 June 2026, the total amount of the Company's uncompleted contracts amounted to RMB53.799 billion. Details are as follows:

	Newly signed contracts from January to June 2026			
Type of Contracts	**Number (Item)**	**Amount (RMB100 million)**	Corresponding period of last year (RMB100 million)	Period-on-period increase or decrease (%)
I. By sector				
1. Industrial	**1,614**	**179.78**	156.33	15.00%
2. Non-industrial	**425**	**2.09**	7.68	–72.79%
Total	**2,039**	**181.87**	164.01	10.89%
II. By business				
1. Design consulting	**1,201**	**19.30**	12.02	60.54%
2. EPC general contracting and engineering	**603**	**147.25**	139.81	5.32%
3. Equipment manufacturing	**235**	**15.33**	12.18	25.85%
Total	**2,039**	**181.87**	164.01	10.89%
III. By region				
1. Domestic	**1,885**	**133.29**	132.12	0.89%
2. Overseas	**154**	**48.57**	31.89	52.31%
Total	**2,039**	**181.87**	164.01	10.89%

Type of Contracts	Cumulative number of existing contracts as of 30 June 2026		
	Amount (RMB100 million)	Corresponding period of last year (RMB100 million)	Period-on-period increase or decrease (%)
I. By sector			
1. Industrial	**494.94**	323.41	53.04
2. Non-industrial	**43.06**	134.97	–68.10
Total	**537.99**	458.38	17.37
II. By business			
1. Design consulting	**47.71**	44.62	6.93
2. EPC general contracting and engineering	**442.87**	348.54	27.06
3. Equipment manufacturing	**47.40**	65.22	–27.32
Total	**537.99**	458.38	17.37
III. By region			
1. Domestic	**304.60**	346.28	–12.04
2. Overseas	**233.39**	112.10	108.20
Total	**537.99**	458.38	17.37

(IV) Operation results and discussion

In the first half of 2026, the Group achieved operating revenue of RMB9.048 billion, representing a decrease of 6.71% from RMB9.698 billion in the corresponding period of last year; net profit attributable to shareholders of the listed company amounted to RMB107 million, representing an increase of RMB4 million from RMB103 million in the corresponding period of last year. The Group's results for the first half of the year are principally analyzed as follows:

Operating revenue

In the first half of 2026, the Group achieved operating revenue of RMB9.048 billion, representing a decrease of RMB650 million, or 6.71%, as compared with the corresponding period of last year. During the Reporting Period, the Company focused on its three core market segments, seized the opportunities from the development of the non-ferrous market, and vigorously developed technology-driven general contracting business. Both the design and EPC general contracting businesses achieved steady growth. As new equipment manufacturing contracts signed have not yet entered the main construction phase for revenue recognition, and the construction business has experienced a temporary decline in revenue due to business structure adjustments, revenue from the construction business within the EPC general contracting and construction segment, as well as the equipment manufacturing segment, has declined on a temporary basis, resulting in a year-on-year decrease in total operating revenue.

Operating cost

The Group's operating costs for the first half of 2026 were RMB7.73 billion, representing a period-on-period decrease of RMB917 million, or 10.6%. This was primarily due to a decrease in costs in line with the decrease in revenue.

Tax and surcharge

The Group's tax and surcharge for the first half of 2026 was RMB47 million, remaining flat period-on-period, with no significant changes.

Sales expense

The Group's sales expenses for the first half of 2026 were RMB53 million, remaining flat period-on-period, with no significant changes.

Administrative expense

The Group's administrative expenses for the first half of 2026 were RMB417 million, representing a period-on-period decrease of RMB3 million, primarily due to the Company's efforts to deepen its labor efficiency reform, cost reduction effects have become apparent, resulting in a period-on-period decrease in administrative expenses.

R&D expense

The Group's R&D expenses for the first half of 2026 were RMB288 million, representing an increase of RMB4 million period-on-period, with no significant changes.

Financial expense

The Group's finance expenses for the first half of 2026 were RMB241 million, representing a period-on-period increase of RMB104 million. The principal reason was the impact of USD exchange rate fluctuations, with the Company's exchange losses increasing by RMB99 million period-on-period.

Credit impairment loss

The Group's credit impairment loss for the first half of 2026 was RMB99 million, representing a period-on-period increase of RMB218 million in losses, primarily due to a significant reversal of impairment losses in the corresponding period of last year.

Asset impairment loss

The Group's asset impairment losses resulted in a reverse of asset impairment losses of RMB30 million in the first half of 2026, representing a period-on-period increase in profit of RMB57 million, primarily due to the impact of settlements for project contract assets, leading to the reversal of impairment losses.

(V) Principal business by sectors and regions

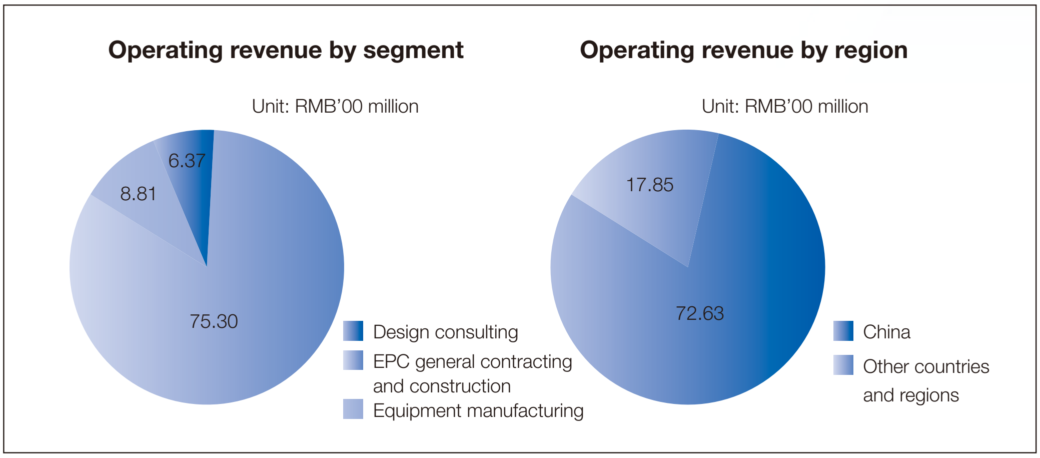
Unit: '000 Currency: RMB

Principal business by sector

Sector	Operating revenue	Operating cost	Gross margin (%)	Increase or decrease in operating revenue compared to the corresponding period of last year (%)	Increase or decrease in operating cost compared to the corresponding period of last year (%)	Increase or decrease in gross margin compared to the corresponding period of last year (%)
Design consulting	636,845	419,239	34.17%	6.13%	5.63%	0.31%
EPC general contracting and construction	7,529,905	6,617,795	12.11%	2.45%	–1.93%	3.93%
Equipment manufacturing	881,150	693,214	21.33%	–49.61%	–53.85%	7.23%
Total	9,047,900	7,730,248	14.56%	–6.71%	–10.60%	3.72%

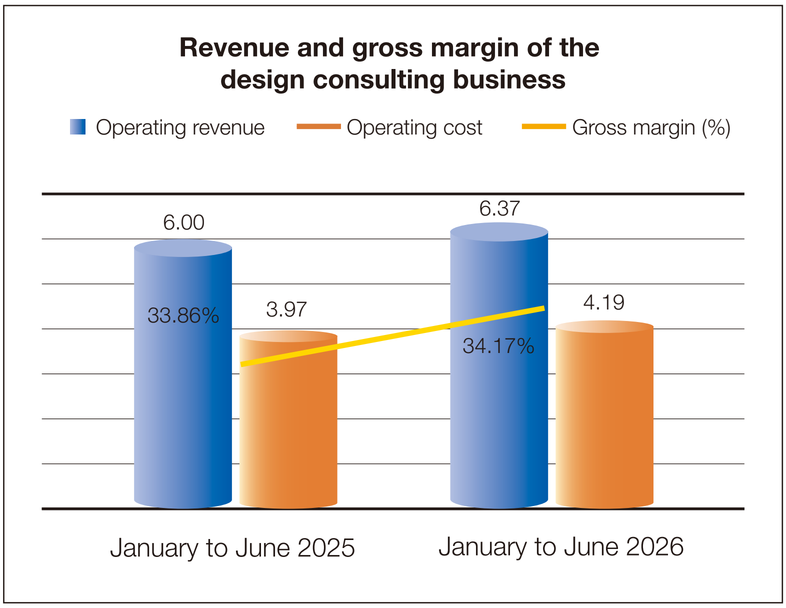
Principal business by region

Region	Operating revenue	Operating cost	Gross margin (%)	Increase or decrease in operating revenue compared to the corresponding period of last year (%)	Increase or decrease in operating cost compared to the corresponding period of last year (%)	Increase or decrease in gross margin compared to the corresponding period of last year (%)
PRC	7,263,391	6,273,487	13.63%	–5.45%	–9.28%	3.65%
Other countries and regions	1,784,509	1,456,761	18.37%	–11.50%	–15.89%	4.27%
Total	9,047,900	7,730,248	14.56%	–6.71%	-10.60%	3.72%



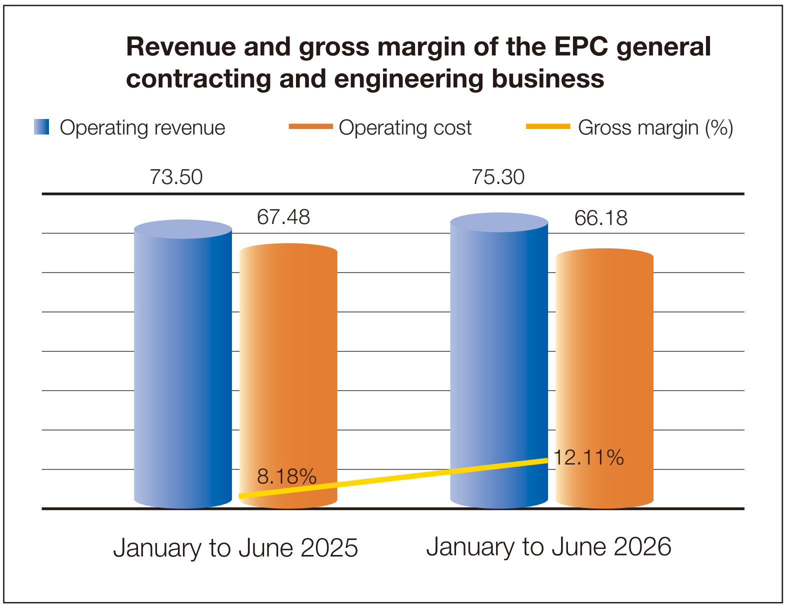
1. Explanation of the distribution of income of principal business by sector

① Design consulting segment



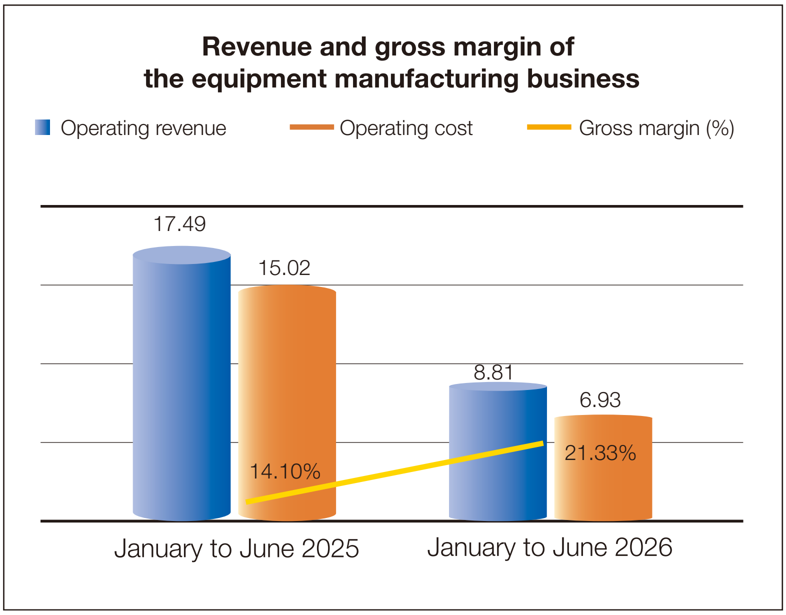
During the Current Reporting Period, the Company's design consulting business achieved revenue of RMB637 million, representing a period-on-period increase of 6.13%. During the Current Reporting Period, survey and design companies strengthened the driving role of engineering design and technical services, maintained steady growth in design consulting business. Both the value of newly signed contracts and existing contracts increased period-on-period, resulting in steady growth in revenue scale. The gross margin for this business segment was 34.17%, representing an increase of 0.31 percentage points period-on-period.

② EPC general contracting and engineering business



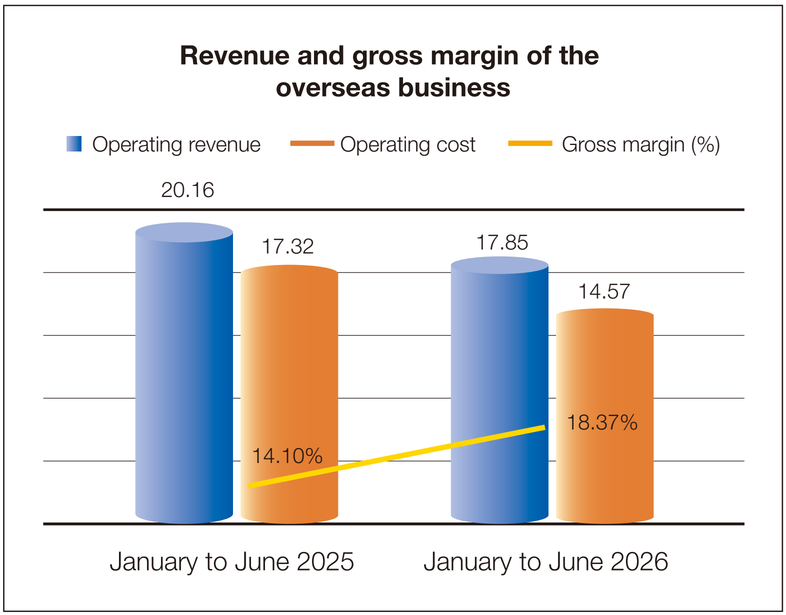
The Company's EPC general contracting and construction business achieved revenue of RMB7.53 billion during the Current Reporting Period, representing a period-on-period increase of 2.45%. The primary reason is that the Company seized the opportunities from the development of the non-ferrous market, vigorously developed technology-driven general contracting business, and continuously improved its EPC general contracting business, and revenue from the construction business declined temporarily due to business structure adjustments. The gross margin for this business segment was 12.11%, representing a period-on-period increase of 3.93 percentage points.

③ Equipment manufacturing business



The Company's equipment manufacturing business achieved revenue of RMB881 million during the Current Reporting Period, representing a period-on-period decrease of RMB868 million. This was mainly because projects such as North Kalimantan and Balco, which were implemented in the corresponding period of last year, had entered their final stages, while newly signed equipment manufacturing contracts were still in the early stages of implementation and revenue had not yet been fully recognized, resulting in a decrease in revenue for Current Reporting Period compared to the corresponding period of last year.

2. Explanation of the distribution of principal business by sector



The Company's overseas business achieved revenue of RMB1.785 billion during Current Reporting Period, representing a period-on-period decrease of RMB231 million. During Current Reporting Period, the Company's newly signed overseas business contracts were still in the early stages of implementation and revenue had not yet been fully recognized, resulting in a decrease in revenue for Current Reporting Period compared to the corresponding period of last year.

Material changes in the operation of the Company during the Reporting Period and events that occurred during the Reporting Period that have had a significant impact on the operation of the Company and are expected to have a significant impact in the future

☐Applicable ✓Not applicable

III. ANALYSIS OF CORE COMPETITIVENESS FOR THE REPORTING PERIOD

✓Applicable ☐Not applicable

(I) Technical and talents advantages

The Company has strong capabilities of scientific research and technical conversion, with 5 grade A design research institutes, 1 grade A survey and design research institutes and 1 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", 6 "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", 1 industrial technology infrastructure public service platform and 2 "State-level New, Distinctive, Specialised and Sophisticated 'Little Giant' Enterprises". In the first half of the year, the Company added 2 provincial second-class Science and Technology Progress Awards, 1 first-class award from the China Gold Association Science and Technology Awards, and 1 first-class award from the China Equipment Management Association. We spearheaded or participated in formulating and amending 10 new national and industry standards, and obtained 6 scientific and technological achievements, including the "Research and Development of Green, Efficient, and Intelligent Hot Continuous Rolling Equipment and Its Application in Aluminum Sheets and Strips for New Energy Batteries", which passed technical evaluations by industry associations and professional institutions, reaching internationally leading levels; 26 technological achievements were rated as industry-leading. 30 core technological achievements, including the "Research and Application of Key Technologies for Improving Quality and Reducing Consumption in Aluminum Oxide Production from Gibbsite Ore", were selected for the "Recommended Catalogue of Advanced and Applicable Processes, Technologies, Equipment (Products) in the Non-ferrous Metals Industry". The group standard "Technical Standard for Ultra-fine Droplet Horizontal Desulfurization of Aluminum Electrolysis Flue Gas", chief edited by SAMI, was officially released, establishing a unified and authoritative technical standard for the horizontal desulfurization of aluminum electrolysis flue gas in China. 4 technological achievements, including "Key Technologies for Improving the Energy Quality of Aluminum Electrolysis", were included in the Guizhou Provincial Survey and Design "Four New" Technology Promotion and Application List, fully supporting Guizhou's "Enriching Mines and Refining Exploitation" strategy. CINF, in conjunction with the Information Research Institute of the Ministry of Emergency Management, Central South University and other institutions, successfully established the Industrial Innovation Consortium for Green and Intelligent Development of Deep Earth Mineral Resources, and the Changsha Municipal Technology Innovation Center for Clean Extraction and Recycling of Energy Metals was officially approved.

The Company has an experienced professional and technical team, including 38 national and industrial level survey and design masters, 20 personnel enjoying special allowances from the State Council or provincial governments, and 6,076 professional and technical personnel of various types, including 383 full senior titles and 2,135 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, etc. Guided by the "15th 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.

1. **We possess advanced mine technologies in the industry.** We have obtained comprehensive development technologies and a series of breakthroughs for super-large deposits in high-altitude, frigid regions, applicable to temperatures below –20°C, elevations exceeding 5,000 meters, and slopes surpassing 1,000 meters; we have overcome key engineering challenges in deep, high-stress fractured ore bodies through non-explosive mechanical mining, support systems, paste backfilling, and post-mining void filling in deep, high-stress fractured ore bodies, such innovations resolve engineering challenges in deep mineral resource development including high stress, high geothermal temperatures and high permeability, enabling safe mining up to 1,500 meters' depth. We have established a mineral exploration technology system for 3,000-meters' depth, and developed a series of mining geological safety technologies, including full-lifecycle intelligent monitoring and early warning for tailings dams and debris flow prevention; we have established the world's highest-altitude open-pit mine, China's first large-scale eco-friendly green mine in high-altitude frigid regions, China's first high-altitude open-pit-to-underground conversion mine, China's deepest shaft mine, China's first mixed-shaft mine exceeding 1,000 meters, China's fastest-hoisting shaft mine, and China's largest tin polymetallic mine.

Mining **Name of technology**	**Brief introduction of technology**
Comprehensive mineral resources exploration technology	Addressing exploration challenges such as deep ore body burial, significant cutting depth and weak mineralization indicators, we pioneered the "one selection, three determinations and dual evaluation" exploration and mineral discovery technology system, which enables dual assessment of resource accessibility and usability, significantly enhanced resource development efficiency; we achieved detection depths exceeding 3,000m with millisecond-level data synchronization; we overcame critical technical bottlenecks such as borehole wall instability and low core recovery rates in deep inclined holes. Such research achievements have won 3 provincial/ministerial-level Second Prizes for Scientific and Technological Progress, 6 Geological Prospecting Achievement Awards, and over 20 authorized patents. These technologies have been widely adopted in major domestic and international mines, cumulatively discovering 2 million tons of copper metal, 1.5 million tons of lead-zinc metal, 8 tons of gold metal and 50 million tons of iron ore, yielding significant economic and social benefits.
Integrated technology for low-carbon efficient mining in ultra-cold super-large open-pit mines	A novel multi-method dynamic integrated optimization approach is developed for open-pit mining, featuring dynamic adjustment of boundary pricing and cost-economic parameters alongside precise alignment of time-value attributes. This resolved challenges in dynamic resource management and efficient utilization, enabling dynamic precision optimization of boundaries and intelligent economic layout of haulage pit lines. We have established a multi-parameter performance correction model for equipment cluster efficiency degradation and developed intelligent equipment selection decision-making software for ultra-high-altitude, super-large open-pit mines, enhancing operational efficiency of large equipment clusters in extreme cold regions and achieving precise matching of loading and hauling equipment; we pioneered self-powered belt conveying technology for high-capacity, long-distance downhill transport in ultra-high-altitude, super-large open-pit mines, enabling long-distance, large-scale material transportation and efficient energy recovery in belt conveyors under extreme cold conditions. These technological achievements have been successfully applied at a company in Xizang, elevating the low-carbon, high-efficiency, and economical mining capabilities of ultra-extreme cold super-large mines, providing invaluable technical support and engineering demonstration for green, low-carbon, cost-effective development of super-large open-pit mines in high-altitude cold regions, advancing technological progress in the ultra-extreme cold mining industry.

Mining

Name of technology	Brief introduction of technology
High-stress rock mass pressure control support technology for deep mine shafts	We pioneered in integrated modeling and diagnosis technology for multi-source failure factors in unstable high-stress rock masses of deep mines; we developed combined optimization techniques for rock pressure control integrating "engineering layout-excavation methods-construction processes-induced pressure relief", along with staged prestressing for prestressed rock bolts and sequential support using slotted pipe bolts + resin bolts; we invented a novel composite pressure-relieving anchor rod, resolving major technical challenges in stability control of high-stress rock masses in deep mines. The technology has been successfully applied at a mine of Chinalco, enhanced the level of safe and efficient deep mining techniques, advanced technological progress in the mining industry, and enabled broader application in similar mines, contributing to China's self-sufficiency in mineral resources and market competitiveness.
Integrated technology for safe storage of ultra-fine slurry in strong karst areas	This project revealed the geological patterns of Guangxi's karst terrain and the leakage mechanisms of tailings ponds. It pioneered key technologies such as hierarchical groundwater drainage and fault treatment for settlement dams, establishing a comprehensive system for the safe storage of ultrafine tailings in highly karstic regions, and filling a global technological gap in constructing tailings ponds within karst landscapes. The technology has been applied to 16 tailings ponds nationwide, achieving a 95% karst sealing rate and zero overflow of highly fluid slurry within the ponds. This innovation advances technological progress in the tailings pond industry within karst-developed regions, elevates construction standards for tailings ponds in China's karst areas, and holds broad market potential.

Mining

Name of technology	Brief introduction of technology
Digital intelligence safety monitoring system for mines	Addressing challenges in large-scale deformation monitoring for steep slopes and tailings dams, the Smart MDP Engineering Disaster Prevention Radar System and Cloud Platform integrates key technologies including satellite compass spatial positioning is developed. This establishes a fully domestically produced, high-performance, intelligent monitoring system enabling sub-millimeter, all-weather, long-range continuous monitoring and deformation early warning. A smart dynamic evaluation and early warning system for mine stability has been established, comprehensively enhancing the intelligence level and emergency response capabilities of mine safety monitoring.
Key technology of management and remediation of contaminated sites	Addressing technical challenges in ecological restoration of abandoned mines and heavy metal pollution control, we developed an integrated treatment technology combining “geotechnical impermeable barriers + harmful ion encapsulation in phosphatic tailings + separation and diversion of leachate and groundwater”. This breakthrough overcomes the limitation of phosphatic tailings as backfill material, opening new pathways for solid waste resource utilization. We innovated a “sulfidation + neutralization + oxidation” integrated treatment process and developed a new “physical-chemical-biological” synergistic remediation technology, significantly improved the efficiency and effectiveness of remediation of complex heavy metal contaminated site. The achievements of the research have reached internationally advanced levels and have been successfully applied in multiple key projects across China, yielding significant economic, social, and environmental benefits.

Mining Name of technology	Brief introduction of technology
Key technologies of surveying, disaster control assessment and early warning for tailings dams	Addressing safety hazards and management challenges in large-scale high-tailings dams, we developed new "spiral combination drill string + pump-less reverse circulation" drilling and sampling equipment, significantly enhancing the reliability of stability evaluation parameters. We established a tailings dam assessment system, developed multiple new technologies including "drainage + slope-following" integrated reinforcement techniques, and proposed a new combined dam construction process, substantially improving structural safety of the tailing dam. Research achievements include 1 National Gold Award for Geological Survey, 2 Provincial/Ministerial First Prizes for Scientific and Technological Progress, 6 national and industry standards authored or co-authored, and 4 published monographs. Such achievements have been successfully applied to more than 30 large-scale tailings ponds nationwide, effectively avoiding the relocation of thousands of residents, ensuring the inherent safety of tailings ponds. Cumulative economic benefits exceed RMB3 billion, delivering significant economic, social and environmental benefits.
Assessment and management technology of stability of deep foundation pit and high slope	Addressing major scientific and technological challenges such as multiple degradation mechanisms and graded stability assessment for high mine slopes, this research first proposed the triple degradation mechanism of ultra-high slopes in cold regions and the failure mechanism under multi-field coupling effects, providing theoretical support for slope risk prevention in frigid areas; an optimized grading method for jointed rock slope stability was developed, enabling precise analysis of slope stability in open-pit mines; a comprehensive prevention and control technology system has been developed, integrating "deep-hole vibration reduction – efficient enhancing blasting + stress relief degradation control + passive geotechnical protection + vegetation substrate revegetation". This system comprehensively enhances the inherent safety level of high slopes. The research achievements have reached internationally advanced levels, earning 5 provincial/ministerial-level science and technology progress awards and contributing to 3 industry standards as principal or co-author. The technology has been successfully applied in high slope engineering projects at multiple large-scale open-pit mines nationwide, significantly improving mine safety and the level of ecological governance.

Mining

Name of technology	Brief introduction of technology
Key technologies for mountainous geological hazard surveying and mitigation	Addressing difficulties in the survey and governance of major geological hazards like complex mountain landslides and debris flows, a multi-level identification system for steep mountainous areas integrating diverse remote sensing technologies is established, enabling rapid, precise and automated extraction of hazard information, significantly improving survey accuracy and efficiency; we innovatively proposed the "water-solid separation" theory for underground debris flow management and developed new technologies emphasizing "minimal backfilling, enhanced solidification, prioritized drainage and infiltration prevention", overcoming traditional governance bottlenecks to ensure intrinsic mine safety; we pioneered the key technology of "barrier dam conversion" for large-scale waste dumps, achieving theoretical innovation and technological breakthroughs in debris flow governance within high-mountain canyon regions. Research achievements have won 1 National Gold Award for Geological Survey, authorship and co-authorship of 2 national and industry standards, and successful application in multiple major domestic projects. These innovations have cumulatively saved over RMB3 billion in project costs, yielding significant economic, social and environmental benefits.
Key technologies for groundwater resource evaluation, development and control	To address challenges in groundwater resource development and control, we have established a technical system for delineating groundwater occurrence and geothermal reservoir prospects in carbonate and clastic rock formations. We innovated methods for interpreting geophysical indicators of groundwater resources, enabling rapid target zone delineation and achieving geothermal extraction depths exceeding 3,000m. We developed integrated multi-dimensional geophysical detection technology combining "gravity, magnetism and electrical" surveys, significantly enhancing detection depth and accuracy; we have established a groundwater inflow hazard assessment and prevention system for large-scale water-bearing mines, effectively resolving major safety challenges in deep mining operations. The research achievements won 1 National Silver Award for Quality Engineering, with 8 national and industry standards authored or co-authored. These technologies have been successfully applied in multiple large-scale domestic mining projects. During drought relief efforts, over 170 drought-resistant wells were completed, benefiting nearly 0.3 million people, fully demonstrating the mission and responsibility of central state-owned enterprises in resource safeguard and social responsibility.

Mining

Name of technology	**Brief introduction of technology**
Key technologies for addressing complex geotechnical issues in engineering construction sites	Addressing engineering geological challenges in complex site environments, a evaluation framework for engineering geological backgrounds is systematic established. Key technical bottlenecks including complex structures, unique stratigraphic lithologies, deep excavation/high embankment conditions and fluctuating water environments have been overcome, ensuring intrinsic safety for site construction. The development of the "Three-Faced, Two-Body" stability control technology for high-fill sites resolved common challenges in handling weak interfaces such as base surfaces, slope-to-fill transitions and fill-excavation junctions, significantly enhancing deformation control capabilities at fill sites. Innovative key technologies for foundation treatment using special fill materials like red clay and Xigeda Formation soil overcame limitations that previously prevented their use as fill materials, substantially reducing project costs. The research achievements reached internationally advanced level, earning major honours including the National Gold Award for Engineering Surveys and the 70th Anniversary of the People's Republic of China Outstanding Project Award. The team led or contributed to the development of 8 national and industry standards, successfully applied these technologies to multiple major domestic projects, and achieved cumulative investment savings exceeding RMB2 billion, delivering significant economic and social benefits.
Multi-parameter collaborative optimization technology for mine complex ventilation systems	Addressing the challenge of optimizing ventilation systems in extremely complex regional mines, this technology overcomes difficulties such as "large deposits with small, scattered ore bodies", extensive underground workings, multiple interim levels and numerous access points to surface shafts. It achieves systematic, coordinated optimization of key parameters including ventilation methods, airflow distribution, fan selection and airflow path layout, effectively controlling environmental risks such as toxic and hazardous gases (e.g., blasting fumes, dust, diesel exhaust), localized high temperatures and radioactive radon and its decay products, and significantly improves the underground working environment, safeguards miners' health and safety, substantially reduces equipment installation volume and power consumption, and delivers notable energy-saving and consumption-reduction effects. It propels mine ventilation technology toward intelligent, systematic and greening.

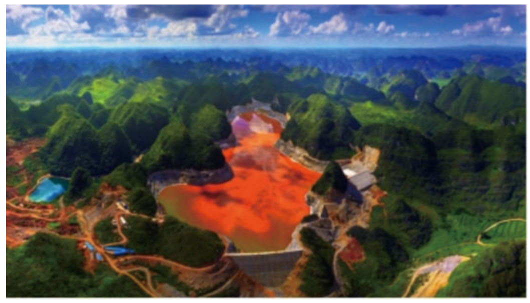
Mining Name of technology	Brief introduction of technology
Key technologies for safety regulation and ecological restoration of high-altitude and steep mine slopes	In terms of the disaster-causing mechanism of slopes in high-altitude mines, an innovative freeze-thaw test method for semi-exposed slope rock masses is proposed. Model devices for rock slope instability freezing and tilting tests are developed, breaking through the bottleneck of traditional rock mechanics tests and achieving refined reconstruction of rock masses using sand mold 3D printing; as regards safety control, a modular off-road lightweight drilling rig and supporting green drilling device is developed. A slope stability analysis system is constructed, and an integrated learning prediction model is proposed, significantly improving prediction accuracy, significantly reducing rock stripping, and significantly increasing the amount of newly mined ore; in terms of ecological restoration, flexible horizontal barrier technology for slag heaps, soil-like matrix construction, and water and moisture retention technology are developed, vegetation restoration technologies such as netting and topsoil spraying and planting bag anchoring are innovated, resulting in a green coverage rate of over 90% in the demonstration area.
Smart geological modeling and integrated management and control platform for the entire lifecycle of the mine	The platform deeply integrates three core modules, namely high-precision geological modeling, accurate rock mechanics modeling and intelligent management and control, establishes a digital twin system covering the entire mine lifecycle of exploration, design, extraction and closure. Through real-time integration, standardized governance and in-depth analysis of multi-source heterogeneous data, the platform enables precise identification of ore body distribution patterns, proactive prediction of geological risks, scientific optimization of mining parameters and transparent monitoring with refined management throughout the entire production process. The platform fully supports mainstream industrial communication protocols, breaking down data barriers across critical operations like mining, beneficiation and backfilling. It integrates core business functionalities including intelligent production scheduling, equipment entire lifecycle management and energy optimization control, significantly enhancing resource utilization, safety standards, and overall management efficiency of mines. This result provides a practical, scalable digital transformation solution for mining enterprises.

Mining

Name of technology	Brief introduction of technology
Key technologies for intelligent early warning, disaster control, and emergency response evaluation in fine-grain tailings dams in high-seismic zones	Addressing industry challenges such as inadequate tailings dam stability evaluation methods, imperfect dam construction techniques and reinforcement technologies and unsystematic breach risk prediction, this project innovatively developed equipment for layered sampling of fine-grained tailings, automatic particle separation and permeability testing. It also developed software for three-dimensional numerical reconstruction of heterogeneous particles and for analyzing dam seepage and stability, achieving high-precision simulation and analysis of tailings particle structure and seepage characteristics; an online monitoring system for tailings pond disasters is established, enhancing real-time operational status awareness; a sudden instability model for tailings dams under multi-field coupling and its critical trigger conditions are proposed, formulating a comprehensive technical system covering monitoring, early warning, dam construction, reinforcement and post-disaster assessment. The achievements reached internationally leading levels, with 5 industry standards authored or co-authored, and successful application in over 30 mines, providing robust technical support for non-coal mines to achieve high-quality, safe and green development.

Mining Name of technology	Brief introduction of technology
Key technologies for in-situ pollution remediation and risk prevention in metal mine waste sites	Addressing challenges in metal mine solid waste disposal such as persistent oxidation/acidification and limited soil cover sources, we innovated biomass pyrolysis-accelerated weathering soil formation technology. This technology features carbon sequestration, nitrogen fixation and phosphorus enrichment capabilities, enabling low-cost soil reconstruction on rocky, soil-poor sites. We developed in-situ oxidation-preventing cover barrier technology, effectively blocking oxygen and water ingress into waste piles to prevent acidification and heavy metal migration/transformation; an in-situ continuous neutralization technology is developed to achieve in-situ solidification and stabilization of heavy metals; we pioneered a composite barrier-permeation reaction technology with hydrophobic, pollutant interception, sand retention and disaster prevention functions, blocking heavy metal migration pathways and mitigating soil erosion; achieving ecological treatment and utilization of solid waste from metal mines, effectively solved the joint prevention and control of heavy metal pollution from solid waste, soil erosion and geological disasters, and provided a mature and effective technical system.
Key technologies for in-situ sealing of solid waste and ecological vegetation restoration	Addressing long-term solid waste accumulation from tailings and waste residues in southwest mining areas, anti-erosion technologies are developed to effectively control tailings migration and diffusion, formed a combination of pollution control technologies to achieve joint prevention and control of pollution sources and processes, regional suitable plant selection technology is developed to improve vegetation restoration efficiency and stability, and customized treatment solutions of “one site (reservoir), one policy” to achieve the dual goals of harmless disposal of solid waste and restoration of ecological functions. This provides key technical support for building an ecological security barrier in Western China, promoting the green transformation of the mining industry and regional coordinated development.


Integrated technology and engineering demonstration for low-carbon efficient mining in ultra-cold super-large open-pit mines


Integrated technology for safe storage of ultra-fine slurry in strong karst areas

Digital intelligence safety monitoring system for mines


Key technology of management and remediation of contaminated sites

2. **We possess world-leading metallurgical technologies. In terms of aluminum electrolysis**, we have grasped a complete series of electrolytic technologies of 180kA – 600kA have been successively developed, leading 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; our energy-saving, long-life aluminum electrolysis cell cathode manufacturing technology has been successfully included in the "National Key Promotion List of Low-Carbon Technologies (Fifth Batch)". **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 completed the world's first demonstrating project for the resource utilization of multi-source solid waste from zinc smelting with a capacity of 0.7 million tons/year, designed China's first single-set 0.4 million-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 0.3 million-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. Our "green, efficient and comprehensive utilization of complex copper, nickel and cobalt materials" was selected for the "Catalogue of Green, Low-Carbon Advanced and Applicable Technologies, Equipment and Products Encouraged for Development in Hunan Province's Industrial Sector (2025 Edition)". **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.

Smelting

Name of technology	**Brief introduction of technology**
First generation SY600 series aluminum electrolysis technology	We pioneered the "loop compensation external busbar" and "networked self-balancing busbar" technologies, significantly reducing the average and maximum flow rates of molten aluminum and electrolyte, and markedly improving the magnetohydrodynamic stability of the electrolytic cell. We developed a "new energy-saving cathode structure technology" using graphitized cathode + phosphorized iron casting, achieving a substantial dual reduction in horizontal current and cathode voltage drop in the molten aluminum. This technology has achieved serialized industrial application, realizing an operating voltage of <3.95V and a current efficiency of >92.5%, yielding significant economic and social benefits.

Smelting

Name of technology	Brief introduction of technology
Second generation SY600 series aluminum electrolysis technology	We developed and applied an upgraded "loop compensation external busbar" and "transient magnetohydrodynamic stability disturbance suppression technology for the busbar system", significantly enhanced the transient magnetohydrodynamic stability and anti-interference capability of the electrolytic cell. We developed and applied an energy-saving and long-life cathode structure technology using graphitized cast cathodes and a precise thermal balance lining structure technology, achieving further reduction in cathode voltage drop and stable low-voltage production operation under low aluminum liquid horizontal current conditions. We pioneered a double-sided precise upper flue gas collection technology, reducing the flue gas exhaust resistance of the electrolytic cell from the traditional 200Pa to approximately 140Pa. This technology has been applied to a cumulative production capacity of over 3 million tons, achieving a serialized cell operating voltage of <3.88V and a current efficiency of >93%, with significant economic and social benefits.
Large-scale, high-efficiency gas-phase suspended calcination furnace for aluminum oxide	Our independently developed technology of large-scale, high-efficiency gas-phase suspended calcination furnace for aluminum oxide focuses on core objectives of energy conservation, high efficiency and environmental protection, and we have successively developed China's first 4,400 t/d low-temperature energy-saving calcination furnace for aluminum oxide and the first 5,500 t/d and 6,000 t/d aluminum oxide calciners. These units accommodate aluminum oxide production lines with the annual capacity ranging from 1 million to 1.65 million tons, achieving internationally leading standards in gas-solid separation efficiency, calcination temperature and energy consumption. The technology received the First Prize for Science and Technology from the China Non-ferrous Metals Industry Association, a total of 16 sets of technical equipment have been promoted and applied, delivering substantial economic benefits.

Smelting

Name of technology	Brief introduction of technology
Ultra-low energy consumption electrolytic flue gas high-efficiency desulfurization technology	Based on micron-level atomization for efficient mass transfer and gas-liquid film control technology, this innovation achieves uniform contact and highly efficient reaction between ultra-fine desulfurization slurry droplets and flue gas. Combined with pre-reaction technology featuring temperature adjustment and humidification, it accelerates the pretreatment process. Self-rotating flushing technology ensures continuous and stable system operation, significantly enhancing desulfurization efficiency. While meeting ultra-low emission standards, it substantially reduces energy consumption and operating costs per ton of aluminum. The overall technology reaches internationally leading level, earning the 2025 First Prize for Scientific and Technological Progress of Chinalco and the Second Prize for Scientific and Technological Progress from the Non-ferrous Metals Industry Association. The technology has been successfully deployed across 15 electrolytic aluminum enterprises with a combined annual capacity of 4.93 million tons, delivering substantial economic and social benefits.
Tank furnace petroleum coke calcination technology	Through continuous innovation and iteration of the tank furnace petroleum coke calcination technology, a series of core technologies have been successfully developed and implemented, including low-temperature calcination in tank furnaces, next-generation furnace structure, intelligent temperature control systems and erosion-resistant silicon bricks. This has propelled single-system capacity to a world-leading 1 million tons per year. The technology has secured over 30 authorized domestic patents and 4 international patents, earning 1 provincial/ministerial first prize and 2 second prizes. Currently, the total designed capacity of our tank furnaces exceeds 23 million tons, maintaining a domestic market share consistently above 70%; this technology has been successfully exported to multiple countries and regions along the Belt and Road Initiative, including Southeast Asia and Africa, continuously supporting the high-quality development of relevant industries worldwide.

Smelting

Name of technology	Brief introduction of technology
Key technology for quality improvement and consumption reduction of aluminum oxide production from gibbsite ore	Addressing the industry challenges of high energy consumption and low efficiency in the smelting of gibbsite ore, the technology achieves systematic breakthroughs in quality, energy consumption, resource recycling and environmental friendliness through the deep coupling and synergistic optimization of four core technologies across multiple processes: pre-purification two-stage decomposition technology, evaporation mother liquor side-flow cooling crystallization technology, multi-level comprehensive energy utilization technology of heat and potential energy, and model-based water resource optimization matching technology. This comprehensive industrial solution integrates "quality improvement, consumption reduction, emission reduction and resource utilization", and has been demonstrated and applied in several domestic aluminum oxide enterprises. It has not only significantly enhanced the market competitiveness of aluminum oxide products, but also provided a replicable innovative paradigm for the industry's green and low-carbon transformation, offering core technological support for the safeguard of national strategic resource and the construction of a modern industrial system.
High-quality graphitized cathode manufacturing technology and equipment	This technology, through the synergistic approach of the three systems of "process – equipment – control", developed a "large particle, multi-grade" + high-temperature modified asphalt formulation and supporting process technology, a three-stage heating curve and corner furnace temperature control technology, a four-stage power supply curve for graphitization furnaces and a new four-column furnace loading process technology, and a long-life, energy-saving and environmentally friendly series graphitization furnace technology. It has constructed a complete graphitization cathode preparation technology and equipment system covering intelligent raw material pretreatment, refined kneading and molding process technology, intelligent roasting system and green and low-carbon graphitization system, achieving a 20% increase in single-line capacity while achieving a product qualification rate of over 99%.

Smelting

Name of technology	Brief introduction of technology
Ultra-large-scale fluidized calcination technology and equipment for complex zinc-bearing materials	A multi-dimensional integrated intelligent batching system for zinc concentrate was developed, along with a large vertical self-locking dome and an integrated internal and external arched beam structure, an airflow-dispersed pressure equalization structure windbox and a gridded elastic sealing structure, overcoming a series of technical challenges, including poor structural safety and stability of the large-span (>20m) high-temperature dome and ultra-high-temperature furnace body of the ultra-large roasting furnace, uneven material distribution, complex thermodynamic and kinetic conditions of complex zinc-containing materials, high control difficulty, high dust rate and unstable roasted sand quality. The world's largest $198m^2$ fluidized bed roasting furnace for complex zinc-containing materials is completed, achieving a single-series zinc roasting furnace processing capacity of 0.55 million tons of zinc-containing materials. The system operates safely and stably, greatly promoted the advancement of zinc smelting technology and enhanced our market competitiveness.

Smelting

Name of technology	Brief introduction of technology
Key technologies and large-scale equipment for coordinated resource recovery of zinc-based multi-source solid wastes	The world's first large-scale complete set of oxygen-enriched "side-blowing + fuming" enhanced smelting equipment is developed, overcoming major technical challenges such as the multiphase refractory nature of zinc-based multi-source solid waste in large smelting furnaces, the difficulty in directional separation of valuable metals, unstable thermal balance, easy deformation of furnaces and kilns and nodulation in the hearth, as well as the continuous synergistic blowing of liquid/cold materials in large fuming furnaces, flue gas fluctuations and unstable heat load. It has achieved green synergistic treatment of various zinc-based solid wastes and efficient recovery of multi-metal resources, and built the world's first 0.70 million-ton/year zinc-based multi-source solid waste resource utilization demonstration project, providing a new solution for the resource utilization of zinc-based multi-source solid waste, and promoting the development of the zinc smelting industry towards high efficiency, energy saving, comprehensive recycling and environmental protection and cleanliness, and played an important role in promoting the sustainable development of the industry and improving its market competitiveness.
Sodium-free sulfide deep-level thallium removal, arsenic removal and resource utilization technology for lead-zinc smelting wastewater	A high-purity hydrogen sulfide preparation technology and a precise sulfidation reaction device are developed, realizing the resource utilization of gypsum slag; a highly efficient combined purification technology of "deep adsorption thallium removal + resource recovery" is developed, solving the major technical difficulties of deep removal and resource utilization of heavy metal thallium; we pioneered a pre-membrane wastewater negative carbon light hardness removal and conditioning process and innovatively developed an evaporation crystallizer to successfully produce sodium sulfate and sodium chloride industrial salt, realizing a closed loop of waste salt resource utilization. The achievements have been successfully industrialized, enhancing the low-carbon and clean treatment level of multi-metal smelting wastewater (e.g., lead-zinc), realizing the resource utilization of wastewater, waste residue and waste salts, and promoted the improvement of treatment technology of smelting wastewater.

Smelting

Name of technology	Brief introduction of technology
Core technologies for comprehensive recovery of rare and precious metals	The innovative approach of embedding a vacuum furnace into the traditional pyrometallurgical process for treating anode slime and reconstructing the main process has achieved system optimization of the process flow and a significant improvement in resource recovery efficiency. It has overcome bottlenecks such as incomplete metal separation, low recovery rate and high energy consumption, significantly improved resource utilization and economic benefits. The research results have reached domestic leading level, providing an advanced and scalable technical path and engineering practice paradigm for the green and efficient recycling of rare and precious metal resources, which is of great significance to promoting the sustainable development of the nonferrous metal industry.

First generation SY600 series aluminum electrolysis technology

Large-scale, high-efficiency gas-phase suspended calcination furnace for aluminum oxide

Key technology for quality improvement and consumption reduction of aluminum oxide production from Gibbsite ore

High-quality graphitized cathode manufacturing technology and equipment

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 to non-ferrous metal, including industry planning, engineering design, equipment development, technology development, industrialization of results and general contracting, etc.** We are successfully selected as one of the first batch of entities to be included in the list of construction entities for the Digital Transformation Promotion Center for Manufacturing announced by the General Office of the Ministry of Industry and Information Technology, becoming one of the four selected entities in the non-ferrous metals industry. Our "integrated solution and application for non-ferrous metal processing digital factories based on the industrial Internet platform" scenarios were successfully selected into the first batch of Henan Province's list of typical artificial intelligence application scenarios. The Technology Innovation Center for High-end Equipment in Non-ferrous Metal Processing was successfully selected for the Construction List for Henan Provincial Technology Innovation Center. 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.

Processing Name of technology	Brief introduction of technology
CNPT high-precision six-roll aluminum strip cold rolling equipment technology	We have independently developed several core technologies, including a large-volume bending roll lateral movement system, a dual-stage rolling force control system, high-precision control technology for ultra-wide strip shape, and a large-small rolling force compatibility technology, achieving the domestic production of the first set of equipment for a wide-width six-roll cold rolling mill. The equipment has excellent technical parameters and its comprehensive performance has reached the international advanced level. It has broken the foreign monopoly on key equipment for the production of hard aluminum alloy strip for aerospace and military industries and aluminum alloy strip for automotive lightweighting, with a high degree of technological innovation, and promoted the domestic manufacturing of high-end aluminum material.

Processing

Name of technology	Brief introduction of technology
High-precision copper alloy strip hot rolling equipment	We developed high-precision hot rolling equipment for large-coil-weight copper alloy sheets and strips along with key rolling technologies, achieving domestic production of high-strength, high-conductivity copper alloy hot rolling equipment, successfully achieved import substitution, significantly enhancing production efficiency product quality stability and yield rates. We developed cassette cooling technology for hot rolling mills, new edge-rolling equipment and online quenching devices for copper sheets and strips, the key performance indicators and finished product precision of which meet or exceed comparable international advanced levels.
2,300mm aluminum strip high-speed trimming line	This unit serves as critical equipment for producing aluminum alloy strip materials used in can lids, can bodies, automotive radiators and other applications. It possesses wide-width, high-speed and high-precision shearing and precise finishing capabilities, making it essential for mass-produced consumer packaging materials and lightweight automotive aluminum alloy strip production, with comprehensive performance reaching internationally advanced levels. The achievement broke through foreign technical barriers, enabled import substitution, and advanced the process of domestic production of major nonferrous metal processing equipment in China. It enabled the production of high-end aluminum alloy strip material urgently needed for tank body materials to be independent of others. The equipment was rated as one of the “Top Ten Landmark High-end Equipment in Luoyang Equipment Manufacturing Industry” and has been recognized as Henan Province’s First-of-a-kind Major Technical Equipment for 2025.

Processing Name of technology	Brief introduction of technology
1,850mm aluminum strip twin-stand cold continuous rolling mill	This highly automated mill possesses wide-width, high-speed and high-precision aluminum alloy strip rolling capabilities. As the core equipment for producing can stock, power battery materials and lightweight automotive aluminum alloy strips, it has overcome key technical challenges such as inter-stand tension coordination. Its comprehensive performance reaches internationally advanced levels, achieving domestic substitution, and has been recognized as Henan Province's First-of-a-kind Major Technical Equipment for 2025.
800mm six-roll copper foil rolling mill	The 800mm six-roll copper foil mill, featuring fully independent intellectual property rights, incorporates self-developed technologies including an X-type roll stand structure, roll stand stabilization system, split nozzle beam assembly, copper foil surface degreasing device, tension AGC and speed AGC, making breakthroughs in key technologies in thickness and flatness control for ultra-thin wide-width copper foil rolling. Its comprehensive performance reaches internationally advanced levels, not only filling the domestic gap in high-end copper foil rolling equipment, but also meeting the market's urgent demand for high-precision, high-quality copper foil products. It has been recognized as Henan Province's First-of-a-kind Major Technical Equipment for 2024.
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.

Processing

Name of technology	Brief introduction of technology
Smart carbon dioxide fire suppression system for nonferrous metal processing	This intelligent management system for carbon dioxide fire suppression system for nonferrous metal processing leverages IoT, internet, video recognition and AI technologies, enabling the upgrade from automation to intelligence for carbon dioxide fire suppression system for nonferrous metal processing. It integrates intelligent management of fire protection systems and equipment across all buildings within processing plants, enabling real-time, efficient enterprise-wide fire safety management tailored to each company's protocols and workflows.

CNPT high-precision six-roll aluminum strip cold rolling equipment technology

2,300mm aluminum strip high-speed trimming line

Smart carbon dioxide fire suppression system for nonferrous metal processing

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, automatic welding of anode guide rods, 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, such as Guangxi Guasheng, have been implemented. 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.

New industries and new fields Name of technology	Brief introduction of technology
New technology for clean recycling of valuable components of waste power batteries	The technology 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 formulated for high-efficiency lithium extraction, with the ability to supply complete sets of equipment integrated with the process and ancillary equipment.

New industries and new fields 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

(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., our business scope covers the full range of metal categories, including light metals, heavy metals, rare and precious metals, we hold top-tier qualifications such as Comprehensive Class A Engineering Design, Special Grade General Contracting for Metallurgical Engineering, giving us industry-leading design strength and engineering implementation capabilities across various metal types. Our technology enables integrated service capabilities across the entire industry chain, from exploration, mining, beneficiation, smelting to processing. We possess all process service elements including consulting, survey, design, equipment manufacturing, construction, commissioning, and operation & maintenance, providing integrated solutions throughout the entire industry chain and project lifecycle. Currently, the Company is focusing on the non-ferrous metals and advantageous industrial sectors, striving to build ourselves into a world-class, highly competitive new engineering technology enterprise that provides comprehensive solutions for non-ferrous metals and advantageous industrial sectors, including advanced technologies, complete sets of equipment and integrated services.

(III) Qualification advantages

The Company has various qualifications, 354 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, 1 Class A comprehensive survey qualifications, 1 super-grade general contracting qualifications for construction engineering, 1 super-grade general contracting qualification for metallurgical engineering, 4 Class A engineering supervision qualifications and 8 Grade A credit ratings for engineering consulting units.

(IV) Domestic market advantages

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 and construction, 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.

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 resource engineering, mine engineering, non-ferrous metallurgical engineering, non-ferrous metal processing engineering, green low-carbon digital intelligent, 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 Gold Award for National 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, cities and autonomous regions across the country.

(V) Overseas markets advantages

The Company implements the "technology + international" strategy in an all-round manner, and adopts an organizational implementation model of "Headquarters + Subsidiaries + Overseas Institutions" for the overall planning and centralized management of our overseas business across all levels, enabling us to build a unique competitive advantage in the global non-ferrous metals engineering and resource development sectors.

In terms of global market presence, the Company focuses on countries along the Belt and Road and emerging markets, with business activities spanning dozens of countries and regions, including Vietnam, Indonesia, Guinea, Italy and Brazil, consolidating its overseas business presence with Southeast Asia and Africa as its core strategic hubs.

Regional benchmark projects continued to materialise: the main construction phase of the 1-million-tonne alumina refinery project in Indonesia was completed on schedule, with the tailings supporting project progressing steadily; the Simandou infrastructure project was implemented in an orderly manner, and a number of aluminium processing projects were signed successively.

Leveraging a full-chain diversified cooperation model encompassing EPC, EPS, design consultancy and technical operation and maintenance, combined with integrated full-lifecycle management capabilities covering pre-feasibility studies, design, construction, digital delivery and low-carbon operation and maintenance, the Company's overseas design consultancy and high-end equipment export businesses grew by 60.54% and 25.85% respectively year-on-year in the first half of 2026. The Company accelerated its transformation from a single engineering contractor to a comprehensive technical service provider for the global non-ferrous metals industry, while simultaneously integrating China's green mining and low-carbon metallurgy standards with local environmental regulations. Complete low-carbon solutions encompassing waste heat recovery, water recycling and comprehensive solid waste utilisation were implemented across multiple projects, creating sustainable local project models.

At the level of global industrial cooperation and international brand building, the Company has established long-term, stable and in-depth cooperative relationships with mining enterprises, metal companies and research institutes in over forty countries and regions. Relying on a professional talent pool spanning international commerce, cross-border legal affairs, multilingual project management and overseas low-carbon compliance, the Company precisely aligns with mainstream global industry standards, carbon regulatory requirements and the diverse needs of local clients. In 2026, the Company continued its deep participation in high-level industry exchange events such as the International Mining Conference, the Overseas Production Capacity Cooperation Forum and the Non-Ferrous Metals Sustainable Development Forum. Through its proprietary core technologies, high-standard performance delivery and a solid reputation for localised integrated development, the Company has continued to enhance its international brand influence and deepen practical cooperation in international production capacity under the Belt and Road Initiative.

IV. OPERATING OVERVIEW FOR THE REPORTING PERIOD

(I) Analysis of principal business

1. Analysis of changes in relevant items on financial statements

Unit: '000 Currency: RMB

Item	Amount for Current Period	Amount for the corresponding period of last year	Change (%)
Operating revenue	9,047,900	9,698,350	–6.71
Operating cost	7,730,248	8,647,193	–10.60
Sales expenses	52,787	50,931	3.64
Administrative expenses	417,837	419,689	–0.44
Finance expenses	241,318	137,420	75.61
R&D expenses	287,966	284,058	1.38
Net cash flows from operating activities	288,446	–199,300	N/A
Net cash flows from investing activities	–111,880	–65,860	N/A
Net cash flows from financing activities	–590,094	–387,865	N/A

Explanation of reasons for changes in operating revenue: During the Reporting Period, the Company focused on its three core market segments, seized the opportunities from the development of the non-ferrous market, and vigorously developed technology-driven EPC contracting business. Both the design consulting and EPC general contracting businesses achieved steady growth. As new equipment manufacturing contracts signed have not yet entered the main construction phase for revenue recognition, and the construction business has experienced a temporary decline in revenue due to business structure adjustments, revenue from the construction business within the EPC general contracting and construction segment, as well as the equipment manufacturing segment, has declined on a temporary basis, resulting in a year-on-year decrease in total operating revenue.

Explanation of reasons for changes in operating cost: Mainly due to costs decreasing as revenue decreasing.

Explanation of reasons for changes in sales expense: During the Reporting Period, sales expenses remained flat period-on-period, with no significant changes.

Explanation of reasons for changes in administrative expense: The Company deepened its labor efficiency reform, cost reduction effects became apparent, and administrative expenses decreased period-on-period.

Explanation of reasons for changes in finance expense: During the Current Reporting Period, the Company reduced its financing scale by RMB457 million, with interest expenses decreasing by RMB21 million period-on-period; at the same time, due to the fluctuation of US dollar exchange rate, the Company's exchange losses increased by RMB99 million period-on-period.

Explanation of reasons for changes in R&D expense: Increased by RMB4 million period-on-period, with no significant changes.

Explanation of reasons for changes in net cash flow from operating activities: During Current Reporting Period, the Company's key projects, including Shanxi Zhaofeng, were implemented, and advance receipts from these projects were received, providing strong support for the period-on-period improvement of operating cash flow.

Explanation of reasons for changes in net cash flow from investing activities: Primarily driven by the Company's business expansion, with increased investment in project-related fixed assets and growth in capital cash expenditures.

Explanation of reasons for changes in net cash flow from financing activities: Mainly due to the Company strengthening its centralized fund management, controlling financing scale, and repaying certain borrowings from financial institutions.

2. Detailed notes to the major changes in the Company's business types, profits structure or profits sources

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

(III) Analysis of Assets and Liabilities

✓Applicable ☐Not applicable

1. Assets and liabilities

Unit: '000 Currency: RMB

Item	Amount at the end of the Current Period	Percentage of closing balance of the Current Period in total assets (%)	Amount at the end of the corresponding period of last year	Amount at the end of the corresponding period of last year over 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 year (%)	Description
Dividends payable	155,571	0.38	32,948	0.08	372.17	Dividends declared to minority shareholders by subsidiaries of the Group have not yet been paid.

Other explanation

None

2. Circumstance of overseas assets

✓Applicable ☐Not applicable

(1) Asset size

Including: Overseas assets 4,595,832 (Unit: ’000 Currency: RMB), accounting for 11.33% of total assets.

(2) Explanation on the high proportion of overseas assets

☐Applicable ✓Not applicable

Other explanation

None

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

✓Applicable ☐Not applicable

Unit: ’000 Currency: RMB

Item	Book value as of end of period	Reason for restriction
Monetary funds	758,816	Letter of guarantee deposits, bank acceptance bill deposits and frozen funds
Accounts receivable	5,907	Factoring of accounts receivable with recourse
Total	764,723	/

4. Other explanation

✓Applicable ☐Not applicable

(1) Liquidity and capital resources

As of 30 June 2026, the Group held RMB3.56 billion in bank deposits and cash, representing an a decrease of RMB700 million from 31 December, 2025. This was primarily due to a decrease in monetary funds resulting from project payments and loan repayments during the Current Period.

The Group's sources of funds are mainly operating income, bank borrowings and issuance of bonds, with diversified financing channels and good repayment performance at maturity. Cash held is mainly in Renminbi and US dollars and borrowings are mainly at fixed interest rates. The Group has formulated strict fund management measures, closely monitors the liquidity position as well as the condition of the financial market, so as to formulate appropriate financial strategies.

As of 30 June 2026, the Group's current assets other than bank deposits and cash were RMB28.52 billion, of which RMB16.800 billion were notes and accounts receivable, RMB6.57 billion were contract assets, RMB1.56 billion were prepayments and other receivables and RMB2.20 billion were inventories.

As of 30 June 2026, the Group's current liabilities were RMB25.26 billion, of which RMB12.5 billion were notes payable and accounts payable. As of 30 June 2026, the Group's net current assets (i.e., the difference between total current assets and current liabilities) were RMB6.79 billion, representing a decrease of RMB0.68 billion as compared with the net current assets as of 31 December 2025.

As of 30 June 2026, the Group's outstanding borrowings were RMB9.04 billion, of which: short-term borrowings and long-term borrowings due within one year were RMB3.57 billion, and long-term borrowings were RMB5.47 billion, representing a decrease of RMB0.46 billion in total borrowings as compared with that of 31 December 2025.

(2) Cash flows

Net cash flow from operating activities. As of 30 June 2026, net cash inflow from operating activities were RMB290 million, representing a period-on-period decrease in outflow of RMB490 million. This was primarily due to the implementation of key projects such as Shanxi Zhaofeng, resulted in the receipt of project advanced payments, provided strong support for the period-on-period improvement in operating cash flows.

Net cash flow from investing activities. As of 30 June 2026, net cash outflow from investing activities were RMB110 million, representing a period-on-period increase in outflow of RMB50 million. This was primarily due to the impact of new overseas business expansion, with increased investment in project-related fixed assets and growth in capital cash expenditures.

Net cash flow from financing activities. As of 30 June 2026, net cash flow from financing activities was a net outflow of RMB590 million, representing a period-on-period increase in outflow of RMB200 million. This was primarily due to the Company strengthened its centralized cash management, controlled financing scale, and repaid part of loans from financial institutions.

(3) Pledge and charge of assets

The Group pledged accounts receivable with a carrying value of RMB5.907 million, as well as all the rights and interests and revenues under the contracts to which the accounts receivable belonged, to obtain loans of RMB5.907 million.

(4) Gearing ratio

The Company monitors its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as the total borrowings and other liabilities (including short-term borrowings, long-term borrowings, trade and other payables, contract liabilities and dividends payable shown in the consolidated balance sheet) minus restricted cash, time deposits and cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt minus non-controlling interests. The Group's gearing ratios were approximately 40.20% and 40.62% as at 30 June 2026 and 31 December 2025, respectively. The gearing ratio as of 30 June 2026 decreased slightly compared to that as of 31 December 2025.

(5) Contingent liabilities

As of 30 June 2026, the Group did not have any material contingent liabilities.

(IV) Investment Analysis

1. Overall analysis of external equity investments

✓Applicable ☐Not applicable

As of 30 June 2026, the Company's long-term equity investment balance (original value) was RMB643 million, representing a decrease of RMB19 million, or 0.03%, from the beginning of the year. Among them, the impairment provision for long-term equity investment was RMB36 million, which is the same as at 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

Unit: '000 Currency: RMB

Category of Asset	Amount as at the beginning of the period	Amount as at the end of the period
Receivables financing	171,098	136,353
Investments in other equity instruments	40,973	41,341
Total	212,071	177,694

Investment in securities

☐Applicable ✓Not applicable

Explanation on Securities Investment

☐Applicable ✓Not applicable

Private Equity Investment

☐Applicable ✓Not applicable

Derivatives investment

☐Applicable ✓Not applicable

(V) Disposal of significant assets and equities

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

Company name	Business scope	Total assets	Net assets	Operating revenue	Net profit
Shenyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd.	Engineering survey and design	3,461,902	1,380,441	784,068	51,306
Guiyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd.	Engineering survey and design	2,356,838	684,338	729,552	102,040
Changsha Engineering & Research Institute Limited for Non-ferrous Metallurgy	Engineering survey and design	4,649,836	2,425,193	1,114,452	73,556
China Non-ferrous Metals Processing Technology Co., Ltd.	Engineering design and equipment manufacturing	2,370,910	687,789	672,515	41,284
Kunming Survey and Design Institute Co., Ltd. of China Non-ferrous Metals Industry	Engineering survey and design	2,351,880	1,080,940	899,992	20,591
Kunming Non-ferrous Metallurgical Design and Research Institute Corporation	Engineering survey and design	680,267	275,826	254,483	36,534
Sixth Metallurgical Construction Company of China Non-ferrous Metals Industry	Building and construction	12,076,322	2,363,640	1,989,830	7,779
Ninth Metallurgical Construction Co., Ltd.	Building and construction	8,855,213	1,804,767	1,040,259	–65,959
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	Building and construction	5,689,831	1,654,846	1,081,880	43,870

Major subsidiaries and shareholding companies with an impact of more than 10% on the Company's net profit

☐Applicable ✓Not applicable

Acquisition and disposal of subsidiaries during the reporting period

☐Applicable ✓Not applicable

Other explanation

☐Applicable ✓Not applicable

(VII) Particulars of structured entities controlled by the Company

☐Applicable ✓Not applicable

V. OTHER DISCLOSURES

(I) Potential risks

✓Applicable ☐Not applicable

The risks faced by the Company mainly include safety and environmental risks in the course of daily operations, risks of market change and market competition, reform and business transformation risks, engineering project management risks and international operation risks.

1. Safety and environmental risks

Existing issues:

During the first half of 2026, safety and environmental protection work mainly faces the following risks: First, the whole-process management of subcontractor safety and environmental protection still needs improvement. The control efforts in areas such as source access, on-site process management and evaluation and assessment are not balanced, leading to incomplete control of subcontractor safety and environmental risks. Second, the concept of safety and environmental protection has not been effectively translated into safety and environmental protection actions. Certain management personnel have differences in professional ability and comprehensive quality, which may lead to inadequate performance of duties. Third, with the continuous expansion of overseas business, the local environment and owner compliance requirements in overseas markets are becoming diversified and complex. The existing overseas safety and environmental management system still needs to be continuously optimized in terms of scientific rigor, comprehensiveness and interoperability.

Countermeasures:

First, to strictly implement the requirements of the “Basic Specifications for Safety Risk Management Standardization System of Aluminum Corporation of China”, the “Specifications for Ecological Environment Protection Management System of Aluminum Corporation of China” and the “Subcontractor Safety Management Regulations of China Aluminum International Engineering Corporation Limited”, strengthen the full-chain management of third-party operating entities from access to assessment and address weak links in subcontractor control. Second, to regularly carry out training on laws, regulations, standards and institutional procedures for all employees, organize regular training to enhance the performance capabilities of management personnel, consolidate the “one position, dual responsibilities” for safety and environmental protection, implement the assignment system for safety management personnel and the “mapping of tasks for battle” for safety production in key positions and enhance the performance effectiveness of management personnel. Third, in light of the differentiated requirements of overseas localities and project owners, continuously optimize and improve the overseas safety and environmental management system, implement upgraded reviews of project safety and environmental management and control plans and increase online scheduling and on-site supervision and inspection of overseas projects.

2. Market changes and market competition risks

Existing issues:

Affected by the “dual carbon” policy, the non-ferrous metals market is undergoing significant structural adjustments. While the rise of the new energy sector brings new development opportunities for enterprises, it also faces intensified market competition risks such as structural differentiation and rising entry barriers. “Dual carbon” and industrial upgrading are driving explosive demand in high-value-added fields such as green mines, intelligent mining, new energy and strategic emerging industries, with technology-intensive EPC projects already accounting for over 65%. However, traditional low-end sectors are mired in price wars (with EPC quotation prices falling by over 12% on an annual basis), combined with rising compliance costs, squeezing profit margins; leading enterprises are building barriers through the integration of the entire chain of “design-construction-operation and maintenance” and the deployment in new business tracks. Companies lacking sufficient technology or resource integration face the risk of elimination. Competition in the domestic and international engineering construction sector is becoming increasingly fierce. Certain construction companies outside the non-ferrous metals industry are aggressively expanding their construction businesses in the mining, smelting and processing sectors of the non-ferrous metals industry, further putting pressure on the development of the Company’s construction business.

Countermeasures:

To closely focus on the overall working approach of “high-quality Party building + strengthening operations, promoting transformation, mitigating risks and deepening reform”, focus on “one principal business”, expand “two major projects”, deeply cultivate “three markets”, implement strategic restructuring and operational revolution, strengthen market development, deepen lean management, adhere to extreme operations, reshape the “six major business layouts” and achieve effective improvement in quality and reasonable growth in production and operation. First, to focus on the metallurgical and advantageous industrial sectors to continuously improve business quality. Second, to vigorously expand EPC business and strive to increase business scale. Third, to link efforts across all levels to develop contracts both within and outside the Group. Fourth, to explore new areas of market growth and actively develop mining business. Fifth, to optimize the marketing management mechanism and establish a center for major clients. Sixth, to strengthen the research and development of scientific and technological achievements and establish a full-level and full-grade product manual, etc.

3. Reform and business transformation risk

Existing issues:

In the first half of 2026, the Company’s reform involved multi-dimensional aspects such as strategic adjustment of business structure, reconstruction of the management system, organizational change and market-oriented system and mechanism reform. During the implementation process, due to insufficient understanding of the top-level design by units at various levels, deviations in implementation may occur. Poor process coordination and unclear delineation of responsibilities and authority may arise in cross-level and cross-departmental collaboration. Certain subsidiaries lack sufficient capacity reserves in areas such as project management and cost control, affecting the actual implementation effect of reform measures.

Countermeasures:

First, to strengthen the supervision and implementation of reforms, formulate high-standard reform implementation plans and task ledgers and clarify responsible units, schedules and key milestones. Second, to strengthen program advocacy and training to ensure that all levels of the organization accurately grasp the strategic direction. Third, to improve the penetrative management mechanism, clearly define the boundaries of authority and responsibility and collaboration processes. Fourth, to strengthen capacity building through special training, benchmarking and other means to enhance the project management and cost control capabilities of subsidiaries, ensuring that reform measures are implemented without distortion and with tangible results.

4. Engineering project management risks

Existing issues:

In the first half of 2026, there were still shortcomings in the performance management and control of certain projects: constrained by external construction conditions, project schedules and performance risks escalated; the quality and efficiency of front-end work such as procurement tendering and technical solution preparation required improvement; on-site management and safety and civilized construction control still fell short; and efforts to tap into cost reduction and efficiency enhancement potential were insufficient, with implementation falling short of expectations.

Countermeasures:

First, to strengthen the integrated management of project participants and the organizational coordination of EPC projects. Second, to continue to strengthen the construction of the three-tier project management and control system and the implementation of the business management information system and the smart construction site management system, to achieve penetrative project management and supervision. Third, to formulate and establish a grading management system for the Company's key projects, implement a leadership guarantee mechanism and improve the performance efficiency of key projects. Fourth, to regularly hold project performance coordination meetings to enhance the synergy and capabilities of the headquarters and promptly identify and resolve issues.

5. International operation risks

Existing issues:

In the first half of 2026, geopolitical risks have increased. At the same time, multiple factors such as oil prices, raw material costs and freight rate increases pushed up project construction costs, leading to longer investment decision-making times in overseas non-ferrous metals markets, which had a certain impact on the implementation of the Company's key overseas projects. Policies and laws in various resource host countries, such as mining taxes and environmental regulations, are frequently adjusted, and the approval processes of land acquisition and mining rights are lengthy. Emergencies threaten the safety of personnel and equipment and cause project delays.

Countermeasures:

First, the Company focuses on key overseas country markets, conducts special research and analysis and carries out analysis work around the dimensions of market environment, policies and regulations, investment risks and cooperation opportunities, to provide strong support and decision-making reference for subsequent overseas market layout and risk prevention; Second, in line with the Company's specific requirements for deeply cultivating the "three major markets", simultaneously promote the marketing of key overseas projects and major clients, formulate special development plans for overseas projects with "one project, one strategy; one customer, one strategy", dynamically track project development and steadily advance the implementation of key projects; Third, to engage local law firms with rich experience and tax agencies to conduct due diligence in the early stage; Fourth, to establish a tiered employment system, despatch core technical teams from China, localize training for general positions, standardize salary and social security and establish a normalized consultation mechanism with trade unions in advance; Fifth, strengthen the deployment of security teams, implement site isolation and protection, purchase overseas personal and property security insurance and develop emergency evacuation plans for emergencies.

(II) OTHER DISCLOSURES

✓Applicable ☐Not applicable

1. Contract of significance

Save for disclosed in the section headed "Material Related-Party Transactions" in this interim report, none of the Company or any of its subsidiaries entered into any contracts of significance with the controlling shareholder or any of its subsidiaries other than the Company, nor was there any contracts of significance between the Company and the controlling shareholder or any of its subsidiaries other than the Company in relation to provision of services.

2. Business in connection with sanctioned countries

The Company confirms that, from the beginning of the Reporting Period to the Latest Practicable Date, the Company did not enter into any new business in connection with sanctioned countries, nor did it have any business planning or arrangement for transactions with sanctioned countries. The Board has no intention to enter into any new business with sanctioned countries.

3. Interim dividend

The Board has not made any recommendation on the payment of an interim dividend for the six months ended 30 June 2026.

4. Purchase, redemption or sale of listed securities

Pursuant to the authorization of the Company's shareholders' meeting, the 5th meeting of the 5th session of the Board held on 27 March 2026 considered and approved the "Proposal on the Repurchase and Cancellation of Restricted Shares Granted but Not Yet Unlocked by Certain Participants" and approved the repurchase and cancellation of 648,200 restricted shares granted to 11 participants at a repurchase price of RMB2.37 per share plus bank time deposit interest for the same period, as well as the repurchase and cancellation of 270,100 restricted shares granted to 2 participants at a repurchase price of RMB2.37 per share. The Company has fully paid the repurchase consideration for the restricted shares of RMB2,215,513.40 to the aforementioned 13 participants. The repurchase and cancellation formalities of the aforesaid restricted shares were completed at the CSDC Shanghai Branch on 6 August 2026.

Save as the above circumstances, the Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the six months ended 30 June 2026.

5. Financial reporting responsibility of Directors in relation to the financial statements

The Board shall fulfill its duty to prepare the Company's financial statements as of 30 June 2026 so as to give a true and fair view of production and operational condition of the Company and of the business performance and cash flow of the Company. The management of the Company has provided the Board with the necessary explanation and data to facilitate the review of the Company's financial statements by the Board. The Directors are not aware of any significant uncertainties, that is, events or incidents that may cast significant doubt on the Company's ability to continue as a going concern.

6. Accounting policies

The accounting policies adopted by the Group to prepare the unaudited condensed consolidated financial statements as of 30 June 2026 are consistent with the principal accounting policies for the preparation of the audited consolidated financial statements for the year ended 31 December 2025.

7. Events After the Balance Sheet Date

There was no other significant subsequent event after 30 June 2026.

8. Changes in Directors and their Particulars

Save as disclosed in this interim report, pursuant to Rule 13.51B(1) of the HKEX Listing Rules of the Stock Exchange, the changes in the Directors subsequent to the publication of the 2025 annual report of the Company and up to the date of disclosure of this interim report as required by paragraphs (a) to (e) and (g) of Rule 13.51(2) of the HKEX Listing Rules are set out below:

(1) Ms. HU Weixi, a non-executive Director, ceased to serve as a non-executive Director of the Company from June 2026.

(2) Mr. SIU Chi Hung, an independent non-executive Director, ceased to serve as an independent non-executive Director of the Company from June 2026.

(3) Mr. WANG Dezhong has officially assumed the position of non-executive Director of the Company from June 2026.

(4) Ms. HUI Lai Kwan has officially assumed the position of independent non-executive Director of the Company from June 2026.

(5) Mr. LI Yihua, chairman of the Board, has served as a member of the Party Group and deputy general manager of Chinalco since June 2026.

(6) Mr. LIU Changkui, a non-executive Director of the Company, retired in June 2026 and ceased to serve as a full-time director of the group companies of Chinalco.

Save as disclosed in this interim report and above, the Directors of the Company have no other information required to be disclosed pursuant to Rule 13.51B(1) of the HKEX Listing Rules.

SECTION V PROGRESS ON THE COMPANY'S 2026 "QUALITY IMPROVEMENT, EFFICIENCY ENHANCEMENT, AND RETURN OPTIMIZATION" ACTION PLAN

In order to thoroughly implement the spirit of the 20th National Congress of the Communist Party of China, the Third Plenary Session of the 20th Central Committee of the Communist Party of China, and that of the Central Financial Work Conference, implement the State Council's Opinions on Further Improving the Quality of Listed Companies, and actively respond to the SSE Initiative on Conducting a Special Action for Listed Companies on Shanghai Stock Exchange to Improve Quality, Efficiency, and Return, and continuously improve the quality of listed company and enhance investors' returns and sense of gain, the Company has formulated the 2026 "Quality Improvement, Efficiency Improvement and Focus on Returns" action plan based on industry development and its own development strategy. The implementation of the Company's "Quality Improvement, Efficiency Enhancement and Return Optimization" action plan in the first half of the year is as follows:

I. FOCUSING ON CORE RESPONSIBILITIES AND PRINCIPAL BUSINESSES, TAKING THE ROAD OF HIGH-QUALITY DEVELOPMENT

First, we formulated the "15th Five-Year" development plan in a scientific manner. During the first half of the year, the Company formulated the "15th Five-Year" development plan in a scientific manner, carried out strategic reshaping and systematic optimization of existing businesses and strived to build a new pattern of coordinated development of technology-led resource engineering, mining engineering, non-ferrous metallurgical engineering, non-ferrous metal processing engineering, green and low-carbon digital and intelligent engineering and other relevant engineering businesses.

Second, we continued to optimise the business structure. During the first half of the year, the Company continued to vigorously promote the strategic adjustment of the business structure, fully returning to the non-ferrous metals and advantageous industrial sectors. Among the newly signed contracts, industrial projects accounted for 98.85%, representing a period-on-period increase of 15.00%; design and consulting contracts increased by 60.54% period-on-period; and equipment manufacturing contracts increased by 25.85% period-on-period. The Company continued to deepen its presence in key markets such as Southeast Asia and Africa, in the first half of the year, newly signed overseas contracts increased by 52.31% period-on-period, covering multiple product categories including equipment manufacturing, EP, technology licensing and engineering construction general contracting, further broadening the variety of product exports and achieving new breakthroughs in overseas engineering construction models.

Third, we continued to enhance the quality of project performance. In the first half of the year, the Company centered its efforts on project management, systematically advanced the reshaping of three major systems, namely project management, subcontractor control and procurement management, a number of key projects achieved high-quality contract performance, the Rizhao Port project has been put into operation; projects including Shanxi Advanced Materials, Jinding Zinc Industry and Liangshan Copper Industry have completed trial runs and achieved product output milestones; the Hongnipo project was recognized as a national-level safety production standardization construction site, and the Company's gross profit margin improved by 3.72 percentage points period-on-period.

II. STRENGTHENING SCIENTIFIC AND TECHNOLOGICAL INNOVATION TO CULTIVATE NEW QUALITY PRODUCTIVE FORCES

First, accelerate the research and development of core technologies. The project "Development and Application of Key Technologies for Precise Evaluation of Engineering Rock Slope Stability", in which Zhongkan Institute participated, won the first prize of the National Science and Technology Progress Award, achieving a historic breakthrough. The 9 national major tasks which we have participated in have been incorporated into the enterprise assessment and are being advanced in an orderly manner according to the annual plan. At the same time, we are accelerating a number of major special research tasks of Chinalco, such as green and intelligent mining of mineral resources and intelligent production of electrolytic aluminum.

Second, improve the efficiency of R&D investment and output. In the first half of the year, the Company's total R&D investment as a percentage of operating revenue reached 3.18%. We added 6 internationally leading achievements, 26 industry-leading achievements, 24 provincial and ministerial-level construction methods and 2 provincial second-class and association ministerial-level first-class science and technology awards. We newly led the formulation of 3 national and industry standards and 3 group standards. The number of new invention patent applications increased by 4% period-on-period, and the number of newly authorized patents increased by 30% period-on-period. 30 core technologies were selected for the industry recommendation catalogue, accounting for more than half of the total catalogue, ranking first in the industry.

Third, fully committed to building digital driving forces. We have basically completed the construction of the production and operation management platform and are advancing the construction and application of 3 major platforms, namely smart design, smart products and smart construction, while developing high-quality datasets, consolidating the data foundation, and deepening innovation in artificial intelligence as well as its replication, promotion and application.

III. ADHERING TO STANDARDIZED OPERATIONS AND OPTIMIZING GOVERNANCE EFFICIENCY

First, we strengthened duty performance training and capacity building. In strict compliance with regulatory requirements, the Company organized 29 person-times of Directors and senior executives to participate in special training sessions organized by the state-owned assets supervision authorities and securities regulatory authorities and carried out 9 person-times of special training on compliance of duties for Directors and senior executives, systematically deepening their understanding of regulatory rules and the capital market, further enhancing their sensitivity in duty performance and the level of standardized exercise of power, providing a solid guarantee for the Company's compliant and steady development.

Second, we leveraged the role of independent directors. In the first half of the year, independent directors cumulatively attended 5 Board meetings and 10 special committee meetings, with an attendance rate of 100%. They expressed opinions on major matters such as related party transactions, external guarantees, profit distribution and the engagement of auditors, effectively preventing governance risks. Independent directors conducted on-site investigation and research at 2 key subsidiaries, putting forward constructive suggestions such as optimizing the assessment mechanism, deepening internal synergy and strengthening the integration of scientific research resources, providing important references for strategic decision-making.

Third, we optimised the corporate governance structure. We revised 6 decision-making management systems, including the "Management System for Decision-making Matters under the 'Three Major and One Important' Principle", further streamlining the power and responsibility relationships and decision-making procedures among the Party Committee, the Board and the management, making the decision-making mechanism more scientific and standardized. We carried out evaluation and audit of the internal control system across the Company, improved the risk warning and response mechanism and kept major risks consistently under control, with the Company's governance efficiency continuing to improve.

IV. STRENGTHENING INVESTOR COMMUNICATION AND ENHANCING CORPORATE TRANSPARENCY

First, conducting high-quality information disclosure. We strictly control the "entry point" and "exit point", establish a working mechanism featuring "comprehensive coverage, highlighted key points, level-by-level review and timely identification of issues", strengthen communication and coordination among all parties; and optimize disclosure content and presentation formats, explore visual expression to enhance information readability and the reference value for decision-making.

Second, engaging investors in an orderly manner. In the first half of the year, the Company held 1 performance briefing and 5 investor exchange activities, flexibly utilizing videos, online interactive sessions, visual reports and other formats to actively listen to market voices and respond to investor concerns, with the quality and effectiveness of two-way communication continuously improving.

V. FOCUSING ON INVESTOR RETURNS AND SHARING THE FRUIT OF CORPORATE DEVELOPMENT

First, we enhanced the Company's industry position and investment value. Zhongkan Institute won the first prize of the National Science and Technology Progress Award, achieving a historic breakthrough. The Company achieved "one benchmark and five excellent" in the Science and Technology Reform assessment organized by SASAC, with CNPT retaining the "benchmark" evaluation, setting a historical best record. Our 30 core technologies were selected for the industry recommendation catalogue, accounting for more than half of the total catalogue, ranking first in the industry.

Second, the market value management system has improved. The Company formulated the "2026 Market Value Management Work Plan of China Aluminum International Engineering Corporation Limited", systematically deploying six major tasks: "consolidating the foundation, improving the system, strengthening creation, optimizing transmission, promoting realization and driving release". At the same time, focusing on weaknesses and deficiencies, we carried out special improvement actions, striving to enhance the initiative of value transmission and promote positive interaction between industrial operations and the capital market.

VI. STRENGTHENING THE RESPONSIBILITY OF "CRITICAL FEW" TO STIMULATE CORPORATE VITALITY AND DYNAMISM

The Company fully implemented the latest requirements of the "Corporate Governance Code for Listed Companies", revised and issued the "Administrative Measures for the Remuneration of Directors and Senior Management of the Company", clarifying that remuneration management shall follow the principles of "adhering to legality and compliance, coordinating incentives and constraints" and "maintaining internal and external coordination, and taking into account overall balance", and established restraint mechanisms such as remuneration suspension and clawback. This has enabled the interests of the Company's management to be more closely aligned with the interests of shareholders and the Company's long-term development, providing institutional safeguards for stimulating the vitality of the management and improving operational efficiency.

SECTION VI CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

I. CORPORATE GOVERNANCE OVERVIEW

The Company has established a relatively sound corporate governance structure and a good operating mechanism, which are not materially different from the provisions of laws, administrative regulations and the China Securities Regulatory Commission on the governance of listed companies.

Implementing good corporate governance is the responsibility of the Board of the Company. The Company has established a corporate governance system in accordance with the corporate governance policies required by Appendix C1, the Corporate Governance Code, of the HKEX Listing Rules. The Company's procedures, voting and disclosure procedures of Board meetings, rules of procedure for Board meetings and director nomination and election procedures comply with the requirements of the guidelines. The Board is the standing decision-making body of the Company, responsible to the shareholders' meeting and exercises its functions and powers in accordance with Article 140 of the Articles of Association and applicable regulatory requirements. The management, composed of the general manager and other senior management personnel, is the standing executive body of the Company, responsible to the Board and exercises its functions and powers in accordance with Article 173 of the Articles of Association and applicable regulatory requirements. The Articles of Association provide a detailed description of the respective duties of the chairman of the Board and the general manager. The positions of the Company's chairman of the Board and the general manager are held by different individuals.

During the six months ended 30 June 2026, the Company has fully complied with all principles and code provisions set out in the Corporate Governance Code. The functions and powers of the Board and its specialized committees under the Corporate Governance Code are detailed in the Articles of Association and the respective rules of procedure of the specialized committees, which have been published on the websites of the stock exchange of the listing places and that of the Company.

The Board has formulated a Board diversity policy, which is set out in the rules of procedure of the Company's Nomination Committee and has been publicly disclosed. When selecting candidates in accordance with the Board diversity policy, the Board will consider a range of diversity criteria, including but not limited to gender, age, cultural and educational background, race, skills, knowledge and professional experience, etc., taking into account the candidate's characteristics and role. As of the end of the Reporting Period, the Board of the Company comprised 9 Directors, including 3 executive Directors, 1 employee representative Director, 2 non-executive Directors and 3 independent non-executive Directors, including 8 male Directors and 1 female Director, and this female Director serves as a member of the Nomination Committee and a member and chairperson of the Audit Committee of the Board. The directors are from various industries both domestically and internationally, making the composition of the Board diversified. The knowledge structure and professional fields of each Director are both professional and complementary within the overall structure of the Board, which is conducive to ensuring the scientific nature of Board decisions.

The Company has established an Audit Committee in accordance with the provisions of the HKEX Listing Rules. The members of the Audit Committee are Ms. HUI Lai Kwan (Chairperson of the Audit Committee, possessing professional qualifications and experience in accounting, auditing and related fields), Mr. LIU Changkui and Mr. TONG Pengfang. The duties of the Audit Committee during the Reporting Period primarily included: supervising and evaluating the work of external auditors; guiding internal audit work; reviewing the financial statements, annual reports, interim reports and quarterly reports of the Company and the financial information contained therein and expressing opinions on their completeness; supervising and evaluating the effectiveness of internal controls, reviewing and supervising the effective operation of the Company's financial reporting system, internal control system and risk management system; making recommendations to the Board on the appointment or dismissal of the Company's financial controller; coordinating communication between the management, internal audit department and relevant departments with external auditors; examining the Company's financial affairs in accordance with the law and supervising the legality and compliance of Directors and senior management in performing their duties; paying attention to the Boards implementation of the cash dividend policy and shareholder return plan and whether the corresponding decision-making procedures and information disclosure have been performed; and being responsible for other matters stipulated by laws and regulations, the Articles of Association and authorized by the Board. During the Current Reporting Period, the Audit Committee performed its duties in strict accordance with the "Rules of Procedure for the Audit Committee of the Board of China Aluminum International Engineering Corporation Limited". On 11 August 2026, the Audit Committee reviewed the Group's interim financial report for the six months ended 30 June 2026 and the financial information contained therein, and agreed to submit it to the Board for consideration.

During the Reporting Period, the Company's 3 independent non-executive Directors held 1 independent Director's special meeting to consider the "Proposal on the 'Continuous Risk Assessment Report of China Aluminum International Engineering Corporation Limited on Chinalco Finance Company Limited'" and issued an opinion agreeing to submit it to the Board for consideration.

The securities transactions of the Company's directors have been conducted in accordance with the Model Code set out in Appendix C3 to the HKEX Listing Rules, which the Company adheres to and this standard also applies to the Company's senior management. The Company's Directors and senior management have confirmed that they have fully complied with the Model Code and the Company's relevant systems during their respective terms of office in the first half of 2026.

II. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

✓Applicable ☐Not applicable

Name	Position	Change	Reason for change	Explanation of reasons for changes
HU Weixi	Non-executive Director, member and chairperson of the Risk Management Committee, member of the Nomination Committee	Departed	Job redesignation	Personal work arrangements
SIU Chi Hung	Independent non-executive Director, member and chairman of the Audit Committee	Departed	Personal reasons	Decided to devote more time to other work arrangements
WANG Dezhong	Non-executive Director, member and chairperson of the Risk Management Committee	Elected, appointed	By-election	By-election to fill vacancy of departed non-executive Director
HUI Lai Kwan	Independent non-executive Director, member and chairman of the Audit Committee, member of the Nomination Committee	Elected, appointed	By-election	By-election to fill vacancy of departed independent non-executive Director
LIU Changkui	Non-executive Director	Elected	Newly appointed by general election	
HU Weixi	Non-executive Director	Elected	Newly appointed by general election	

Descriptions of changes in Directors and senior management of the Company

✓Applicable ☐Not applicable

On 28 April 2026, due to personal work arrangements, Ms. HU Weixi applied to resign from her positions as non-executive Director, member and chairperson of the Risk Management Committee and member of the Nomination Committee of the Board. To ensure that the Board continues to meet gender diversity requirements, Ms. HU Weixi continues to perform her duties until the Company elects a new female Director. Due to his decision to devote more time into other work arrangements, Mr. SIU Chi Hung tendered his resignation to the Board, no longer serve as an independent non-executive Director, member and chairperson of the Audit Committee of the Board. The resignation of Mr. SIU Chi Hung resulted in the number of independent non-executive Directors falling below one-third of the Board members. In accordance with the relevant provisions of the "Measures for the Administration of Independent Directors of Listed Companies", Mr. SIU Chi Hung continues to perform his duties until a new independent non-executive Director assumes office. For details, please refer to the Company's announcement "Announcement of China Aluminum International Engineering Corporation Limited on the Resignation of Director and Nomination of Director Candidates" (Lin 2026–018) disclosed on the SSE website on 29 April 2026 and the announcement "Nomination of Non-executive Director and Nomination of Independent Non-executive Director" disclosed on the website of the Stock Exchange on 28 April 2026.

On 30 June 2026, the Company held its 2025 annual shareholders' meeting, at which Mr. WANG Dezhong was elected as a non-executive Director of the 5th session of the Board and Ms. HUI Lai Kwan was elected as an independent non-executive Director of the 5th session of the Board, with their terms of office commencing from the date of election at the shareholders' meeting until the expiry of the term of the 5th session of the Board. On 30 June 2026, the Company held the 8th meeting of the 5th session of the Board, appointing Mr. WANG Dezhong as a member and the chairperson of the Risk Management Committee of the 5th session of the Board and Ms. HUI Lai Kwan as a member and the chairperson of the Audit Committee and a member of the Nomination Committee of the 5th session of the Board, with their terms of office commencing from the date of the resolution of the 8th meeting of the 5th session of the Board until the expiry of the term of the 5th session of the Board. For details, please refer to the Company's announcements "Announcement of China Aluminum International Engineering Corporation Limited on the Poll Results of the 2025 Annual Shareholders' Meeting" (No. 2026–022), "Announcement of China Aluminum International Engineering Corporation Limited on the By-election of Members of the Special Committees of the 5th session of the Board of Directors" (No. Lin 2026–023) disclosed on the SSE website on 1 July 2026 and the announcements "Poll Results of the 2025 Annual Shareholders' Meeting and Changes in members of the Board of Directors and its Committees" disclosed on the website of the Stock Exchange on 30 June 2026.

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

The proposed profit distribution plan or converting capital reserve into share capital plan for the half year

Whether to distribute profit or transfer reserves	No
Number of bonus shares for every 10 shares (share)	0
Amount of dividend for every 10 shares (RMB) (tax inclusive)	0
Number of shares converted for every 10 shares (share)	0

Particulars of proposal for profit distribution or for converting capital reserve into share capital

None

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

(I) Incentives disclosed in provisional announcements and with no subsequent development or change

✓Applicable ☐Not applicable

Overview of the matter	Query index
In 2024, the Company implemented the 2023 Restricted Share Incentive Scheme, granting a total of 26,769,600 restricted shares to 237 participants an initial grant price of RMB2.37 per share.	www.sse.com.cn www.hkex.com.hk

1. On 8 December 2023, the Company held the 17th meeting of the fourth session of the Board of Directors, and considered and approved the Proposal on the "2023 Restricted Share Incentive Scheme (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)》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 related party Directors have abstained from voting. On the same day, the Company held the 17th meeting of the fourth session of the Board of Supervisors, and considered and approved the Proposal on the "2023 Restricted Share Incentive Scheme (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)》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). The Board of Supervisors of the Company has verified the relevant matters pertaining to the incentive scheme and issued the corresponding verification opinion.

Overview of the matter	Query index
2. On 3 April 2024, the Company disclosed the "Announcement on Receipt of Reply from the SASAC on the 2023 Restricted Share Incentive Scheme" (Announcement No.: Temp 2024–015), the Company received the Reply on the Implementation of the Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited (《關於中鋁國際工程股份有限公司實施限制性股票激勵計劃的批覆》) (Guo Zi Kao Fen (2024) No. 108) of the SASAC of the State Council forwarded by Chinalco, the controlling shareholder of the Company, in which the SASAC granted in-principle approval for the Company to implement the 2023 Restricted Share Incentive Scheme.	
3. On 18 April 2024, the Company convened the Twentieth Meeting of the Fourth Board of Directors and the Fifteenth Meeting of the Fourth Board of Supervisors. The meetings reviewed and approved the "Proposal on the 2023 Restricted Share Incentive Scheme (Revised Draft) of China Aluminum International Engineering Corporation Limited and the summary thereof", and the related Directors have abstained from voting on the relevant proposals.	
4. On 17 May 2024, the Company disclosed the "Notice of China Aluminum International Engineering Corporation Limited Regarding the Convening of the 2023 Annual General Meeting, the First A-Share Class Meeting of 2024 and the First H-Share Class Meeting of 2024" (Announcement No.: Lin 2024–022) and "Announcement of China Aluminum International Engineering Corporation Limited Regarding the Open Solicitation of Voting Rights by Independent Non-Executive Directors" (Announcement No.: Lin 2024–023). Mr. TONG Pengfang, an independent non-executive Director acting as the solicitor, publicly solicited voting rights from all shareholders of the Company regarding the relevant proposals pertaining to the Company's 2023 Restricted Share Incentive Scheme to be considered at the 2023 Annual General Meeting, the First A-Share Class Meeting of 2024 and the First H-Share Class Meeting of 2024 to be convened on 18 June 2024.	

Overview of the matter	Query index
5. From 18 April 2024 to 28 April 2024, the Company publicly announced the list of proposed participants of the incentive scheme on its internal website. By the end of the public announcement period, the Board of Supervisors had not received any objections from anyone regarding the incentive recipients of this incentive plan. On 12 June 2024, the Company disclosed the "Verification Opinion of the Board of Supervisors of China Aluminum International Engineering Corporation Limited on the Participants of the Company's 2023 Restricted Share Incentive Scheme".	
6. On 18 June 2024, the Company convened the 2023 Annual General Meeting, the First A-Share Class Meeting of 2024 and the First H-Share Class Meeting of 2024, at which the following proposals are considered and approved: 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).	
7. On 19 June 2024, the Company disclosed the "Self-Investigation Report of China Aluminum International Engineering Corporation Limited on the Trading of the Company's Shares by Informants of Insider Information and Participants under the 2023 Restricted Share Incentive Scheme" (Announcement No.: Lin 2024–028).	

Overview of the matter	Query index
8. On 18 June 2024, the Company convened 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. The following proposals in relation to the current incentive scheme were reviewed and approved: "Proposal on Adjusting Matters Related to the Company's 2023 Restricted Share Incentive Scheme" and the "Proposal on the Initial Grant of Restricted Shares to Participants of the Company's 2023 Restricted Share Incentive Scheme", among others. Related party Directors have abstained from voting on the relevant proposals. The Board of Supervisors verified the list of participants and relevant matters under the incentive scheme and issued verification opinion.	
9. On 26 July 2024, the Company completed the registration for the initial grant under the Company's 2023 Restricted Share Incentive Scheme, the 237 actual grantees were granted 26,769.6 thousand shares. On 30 July 2024, the Company disclosed the "Announcement on Completion of Grant Registration for the Company's 2023 Restricted Share Incentive Scheme" (Announcement No.: Lin 2024–040).	
In 2025, the Company implemented the 2023 Restricted Share Incentive Scheme, granting a total of 2 million restricted shares to 21 participants an initial grant price of RMB2.28 per share.	www.sse.com.cn www.hkex.com.hk
1. On 26 May 2025, the Company convened the 28th meeting of the 4th session of the Board of Directors and the 22nd meeting of the 4th session of the Board of Supervisors, and considered and approved the "Resolution on the Proposed Grant of Reserved Restricted Shares to Participants under the Company's 2023 Restricted Shares Incentive Scheme". The Board of Supervisors verified the list of participants of the reserved grant under the incentive scheme as well as relevant matters, and issued its verification opinion.	
2. On 13 June 2025, the Company completed the registration for the reserved grant under the Company's 2023 Restricted Share Incentive Scheme, the 21 actual grantees were granted 2 million shares. On 17 June 2025, the Company disclosed the "Announcement on Completion of Registration of the Reserved Grant under the Company's 2023 Restricted Share Incentive Scheme" (Announcement No.: Lin 2025–027).	

Overview of the matter	Query index
On 29 March 2026, the Company published an H-share announcement regarding the “Repurchase and Cancellation of Restricted Shares Granted to Certain Incentive Participants but Not Yet Released from Lock-up”. For further details, please refer to Section IV, Management Discussion and Analysis, Item 5(II) “Other Disclosure Matters”, paragraph 4: “Purchase, Redemption or Sale of Listed Securities”.	www.sse.com.cn www.hkex.com.hk

The summary of the Company’s 2023 Restricted Share Incentive Scheme is set out below:

1. Purpose of the Incentive Scheme

In order to further refine the Company’s corporate governance structure, establish a robust medium – to long-term incentive and constraint mechanism, achieve the motivation and restraint of the Company’s mid-level and senior management personnel and core key personnel, ensure their interests are more closely aligned with the Company’s long-term development, enable mutual assumption of risks and sharing of benefits, fully mobilise their initiative and creativity, promote long-term orientation in decision-making and operational behaviour, enhance the Company’s internal growth momentum, strengthen its cohesion and market competitiveness, advance its sustainable high-quality development, and maximise the value for both the Company and its shareholders, on the premise of fully safeguarding shareholders’ interests and in accordance with the principle of aligning rewards with contributions, the Company implements the 2023 Restricted Share Incentive Scheme in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for Equity Incentives of Listed Companies, the Trial Measures for Implementing Equity Incentives in State-Controlled Listed Companies (Domestic) (Guo Zi Fa Fen Pei [2006] No. 175), the Notice on Standardising Issues Related to the Implementation of Equity Incentive Systems in State-Controlled Listed Companies (Guo Zi Fa Fen Pei [2008] No. 171), the Notice on Further Improving Equity Incentive Work in Listed Companies Controlled by Central State-Owned Enterprises (Guo Zi Fa Kao Fen Gui [2019] No. 102), the Guidelines for Implementing Equity Incentives in Listed Companies Controlled by Central State-Owned Enterprises (Guo Zi Kao Fen [2020] No. 178), the HKEX Listing Rules, and other relevant laws, regulations and prescriptive documents, as well as the provisions of the Articles of Association.

2. Scope of Incentive Participants

The participants of the Incentive Scheme are directors, senior management personnel, other management personnel, and core technical (business) backbone personnel of the Company (including its branches and controlled subsidiaries). None of the participants have participated in two or more equity incentive schemes of listed companies. None of the participants are substantial shareholders holding 5% or more of the Company’s shares, nor the de facto controller, nor their spouses, parents, or children. All participants must have an employment relationship with, or hold a position in, the Company or its controlled subsidiaries during the assessment period of the Incentive Scheme. For further details as at 30 June 2026, please refer to Section VIII, Changes in Ordinary Shares and Shareholders.

3. Number of Underlying Shares

The total number of restricted shares proposed to be granted under the Incentive Scheme was 29,506,100 shares (subsequently adjusted), of which 27,506,100 shares were initially proposed for grant (subsequently adjusted to an actual grant of 26,769,600 shares), and 2,000,000 shares were reserved for future grant. As at 31 December 2025, the entire grant had been completed, with a total of 28,769,600 shares granted (as adjusted), representing an appropriate percentage of the Company's total share capital prior to the grant. The Company completed the registration of the initial grant (26,769,600 shares) on 26 July 2024 and the registration of the reserved grant (2,000,000 shares) on 13 June 2025. As at 30 June 2026, no further shares remained available for grant under the 2023 Restricted Share Incentive Scheme.

4. Maximum Entitlement per Participant

The cumulative total number of underlying shares involved in the Company's equity incentive schemes throughout their entire validity period does not exceed 10% of the Company's total share capital. The cumulative number of restricted shares granted to any single participant under all equity incentive schemes effective during the validity period does not exceed 1% of the Company's total share capital, nor does it exceed 1% of the total number of A-share ordinary shares.

5. Lock-up Period

The restricted shares granted under the Incentive Scheme are subject to lock-up restrictions and will be released from lock-up in three tranches, with lock-up periods of 24 months, 36 months and 48 months respectively from the date of completion of the registration of the corresponding grant. During the lock-up period, the restricted shares granted to participants are subject to lock-up restrictions and may not be transferred, pledged or used to repay debts. Shares acquired by participants through capitalisation of capital reserves, share dividends, share splits or rights issues shall also be locked up in accordance with the Incentive Scheme.

6. Release Schedule

The release schedule for the restricted shares granted under the Incentive Scheme is set out in the table below:

Release Arrangement	Release Schedule	Proportion of Restricted Shares to be Released Relative to Total Shares Granted
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%

7. Grant Price

The grant price for the initial grant was RMB2.37 per share, and the grant price for the reserved grant was RMB2.28 per share.

8. Determination of Grant Price

The grant price shall not be lower than the nominal value of the shares and shall not be lower than the higher of the following: (i) 50% of the average trading price of the Company's A shares on the trading day immediately preceding the date of the Board of Directors' resolution announcement on the grant; and (ii) 50% of the average trading price of the Company's A shares over the 20 trading days immediately preceding the date of the Board of Directors' resolution announcement on the grant. The initial grant was determined at RMB2.37 per share based on the relevant average prices prior to the announcement of the draft scheme on 8 December 2023, and the reserved grant was determined at RMB2.28 per share based on the relevant average prices in May 2025.

9. Remaining Validity Period of the Scheme

The validity period of the Incentive Scheme shall commence from the date of completion of the registration of the initial grant of restricted shares (26 July 2024) and shall continue until the date on which all restricted shares granted to participants have been released from lock-up or repurchased, with a maximum term not exceeding 72 months in total.

As at 30 June 2026, the remaining validity period of the Incentive Scheme extends to approximately 26 July 2028 (subject to the final completion of the release from lock-up).

On 29 March 2026, the Board of Directors passed a resolution to repurchase and cancel 918,300 restricted shares under the Incentive Scheme. The average repurchase price was RMB2.41 per share. The relevant cancellation procedures were fully completed on 6 August 2026.

10. Performance Assessment Targets

(1) Company-level Performance Assessment Requirements

Release Period	Performance Targets
First Release Period	(1) Cash return on net assets (EOE) for 2024 shall not be less than 13.76%, and shall not be lower than the average performance level of the industry or the 75th percentile level of the benchmark companies; (2) Based on the 2022 performance as the base, the compound growth rate of net profit attributable to shareholders of the parent company for 2024 shall not be less than 24.72%, and shall not be lower than the average performance level of the industry or the 75th percentile level of the benchmark companies; (3) The increase in economic value added (ΔEVA) for 2024 shall be greater than 0.

Release Period	Performance Targets
Second Release Period	(1) Cash return on net assets (EOE) for 2025 shall not be less than 14.52%, and shall not be lower than the average performance level of the industry or the 75th percentile level of the benchmark companies; (2) Based on the 2022 performance as the base, the compound growth rate of net profit attributable to shareholders of the parent company for 2025 shall not be less than 26.18%, and shall not be lower than the average performance level of the industry or the 75th percentile level of the benchmark companies; (3) The increase in economic value added (ΔEVA) for 2025 shall be greater than 0.
Third Release Period	(1) Cash return on net assets (EOE) for 2026 shall not be less than 15.18%, and shall not be lower than the average performance level of the industry or the 75th percentile level of the benchmark companies; (2) Based on the 2022 performance as the base, the compound growth rate of net profit attributable to shareholders of the parent company for 2026 shall not be less than 26.27%, and shall not be lower than the average performance level of the industry or the 75th percentile level of the benchmark companies; (3) The increase in economic value added (ΔEVA) for 2026 shall be greater than 0.

(2) Individual-level Assessment

Note:

(1) EOE = EBITDA/average net assets. In the event of major asset restructuring, force majeure and other circumstances, the Board of Directors may make reasonable adjustments.

(2) Individual assessments are conducted on an annual basis in accordance with the Company's relevant assessment and management measures, and the proportion of restricted shares to be released is determined based on the performance evaluation results (categories: Excellent, Good, Qualified, Unqualified).

11. Fair Value on Grant Date and Adopted Accounting Standards and Policies

The fair value of the restricted shares on the grant date is calculated as the closing price of the A shares on the grant date minus the grant price (approximately RMB2 per share for the initial grant, and approximately RMB2.12 per share for the reserved grant). The Company's share-based payments are accounted for as equity-settled share-based payments in accordance with Accounting Standard for Business Enterprises No. 11 – Share-based Payment. They are measured at fair value on the grant date and, during the vesting period, are recognised in cost/expenses and capital reserve in instalments based on the best estimate of the number of equity instruments expected to become exercisable. Grants that are exercisable immediately upon grant are recognised on the grant date; for grants subject to service periods or performance conditions, the estimate is adjusted at each balance sheet date during the vesting period and the Current Period's service cost is recognised accordingly. After the registration procedures for restricted shares issued to employees have been completed, the relevant accounts relating to share capital, capital reserve and repurchase obligations are recognised on the grant date. The amortisation of expenses relating to the restricted shares under the Incentive Scheme has an impact on the net profit of each period, but the overall impact is manageable, and the expected performance improvement brought by the incentive is anticipated to far exceed the increase in expenses.

(II) Incentives not disclosed in provisional announcements or with subsequent development

Particulars of share option incentives

☐Applicable ✓Not applicable

Other explanation

☐Applicable ✓Not applicable

Particulars of employee stock option plan

☐Applicable ✓Not applicable

Other incentives

☐Applicable ✓Not applicable

V. ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF COMPANIES THAT DISCLOSE ENVIRONMENTAL INFORMATION IN ACCORDANCE WITH THE LAW

☐Applicable ✓Not applicable

Other explanation

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Since 2026, Chalieco resolutely implemented the Central Committee's strategic deployment on rural revitalization, fully implemented the work requirements of SASAC, strengthened organizational leadership and publicity guidance, and promoted affiliated enterprises to leverage their professional advantages to steadily advance targeted poverty alleviation efforts. This has yielded phased results in consolidating poverty alleviation achievements, cultivating characteristic industries, and improving people's livelihoods. In the first half of the year, a total of RMB2,994.8 thousand was invested, including RMB2,516.2 thousand for purchasing poverty alleviation agricultural products and RMB478.6 thousand for purchasing poverty alleviation agricultural and sideline products. Through building platforms and connecting with enterprises, we assisted the sales of RMB55.6 thousand of agricultural products. Chalieco focused on three key directions: "consolidating poverty alleviation achievements, enhancing endogenous motivation and innovating governance models". The Company made overall plans and implemented targeted measures to promote orderly progress in poverty alleviation efforts:

First, implement assistance policies. Each village work team has always made preventing large-scale return to poverty a top priority. CINF standardized the management of 13 village-level public welfare positions, updated information on 386 labor employment records, released some 20 job postings and assisted 12 villagers in finding local employment; CNPT accurately implemented the "Rain and Dew Plan" subsidies for 9 people, employment subsidies for 110 people, handled low-income allowances for 6 people and serious illness assistance for 2 people. It set up public welfare post subsidies for 13 households lifted out of poverty and distributed 119 portions of flour and oil to the poverty-alleviated population.

Second, plan industrial projects. CINF secured RMB1 million in rural revitalization connection funds from Hunan Province, planning four major projects: investing RMB0.35 million to build a potable water supply project, RMB0.2 million to expand the 100-mu kiwifruit industry, RMB0.2 million to improve infrastructure and RMB0.25 million to construct tobacco curing barns and supporting facilities. At the same time, leveraging local Tung tree flower resources, it organized ecological viewing events, receiving over 3,000 tourists, increasing village collective income by RMB8,700 and driving sales of farmers' agricultural and sideline products by RMB23 thousand, creating a "flower economy" specialty business format.

Third, innovate income growth paths. All units actively built production and marketing platforms and tapped into local resources. GAMI, addressing issues such as weak governance capacity and low enthusiasm for mass self-governance in Jinkeng Village, invested RMB20 thousand to establish a village-level “points supermarket”, incorporating behaviors such as environmental improvement, voluntary services and civilized new practices into a points-based assessment system, achieving quantified incentives for moral constraints. After operation, villagers’ initiative to participate in public welfare and environmental improvement significantly increased, neighborhood relations became more harmonious, formulating replicable rural governance experience.

VII. CORPORATE GOVERNANCE CODE

(I) Compliance with the Corporate Governance Code

The Company has always been committed to enhancing its corporate governance standards and regards corporate governance as an integral part of creating value for shareholders. With reference to the code provisions of the Corporate Governance Code as set out in Appendix C1 to the HKEX Listing Rules, the Company has established a modern corporate governance framework characterised by effective checks and balances and independent operation among the Shareholders’ Meeting, the Board of Directors and senior management. The Company has also adopted the Corporate Governance Code as its corporate governance practice. As a company listed on the Stock Exchange, the Company has always been committed to maintaining a high level of corporate governance. During the six months ended 30 June 2026, the Company has complied with all the code provisions set out in the Corporate Governance Code as contained in Appendix C1 to the HKEX Listing Rules, and has adopted the recommended best practices set out therein as appropriate.

(II) Compliance With The Model Code For Securities Transactions By Directors of Listed Issuers By Directors And Relevant Employees

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the HKEX Listing Rules as the code of conduct for dealings in the Company’s securities by all directors. Based on specific enquiries made with the directors, all directors have confirmed that they have strictly complied with the standards set out in the Model Code during the Reporting Period. The Company has also established guidelines for relevant employees (as defined in the HKEX Listing Rules) regarding dealings 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 such guidelines by its relevant employees. The Board will review the Company’s corporate governance practices and operations from time to time to ensure compliance with the relevant requirements of the HKEX Listing Rules and to protect the interests of shareholders.

(III) Review of Interim Results

On 11 August 2026, the Audit Committee reviewed and confirmed the Company’s unaudited interim results for the six months ended 30 June 2026, and was of the opinion that the unaudited interim results for the six months ended 30 June 2026 comply with the applicable accounting standards and legal requirements, and that appropriate disclosures have been made.

SECTION VII KEY MATTERS

I. PERFORMANCE OF COMMITMENTS

(I) Commitments of the Company and its effective 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 major asset restructuring	Other	Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Maintaining the independence of the listed company	2022	No	/	Yes	N/A	N/A
	Resolving related party transactions	Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Reducing and regulating related transactions	2022	No	/	Yes	N/A	N/A
	Resolving competition among peers	Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Avoiding the competition of peers	2022	No	/	Yes	N/A	N/A
	Other	Directors and senior management of the 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	2022	No	/	Yes	N/A	N/A
Commitments related to IPO	Other	the Company, our directors and senior management personnel	Making up for diluted return for the Current Period	2016, 2017	No	/	Yes	N/A	N/A
	Resolving competition among peers	Chinalco	Peer competition	2012, 2016 and 2017	No	/	Yes	N/A	N/A
	Resolving related party transactions	Chinalco	Related party transactions	2016	No	/	Yes	N/A	N/A
	Other	Chinalco	Defect in title of land	2017	No	/	Yes	N/A	N/A
	Other	The Company	Real estate related business	2017	No	/	Yes	N/A	N/A

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. AUDIT OF INTERIM REPORT

☐Applicable ✓Not applicable

V. CHANGES AND TREATMENT OF MATTERS RELATED TO NONSTANDARD AUDIT OPINIONS IN THE FINANCIAL REPORT OF THE PREVIOUS YEAR

☐Applicable ✓Not applicable

VI. BANKRUPTCY AND REORGANIZATION RELATED ISSUES

☐Applicable ✓Not applicable

VII. MATERIAL LITIGATION AND ARBITRATION

✓ The Company was involved in any material litigation or arbitration during the Current Report Period

☐ The Company was not involved in any material litigation or arbitration during the Current Report Period

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

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: 0'000 Currency: RMB

Within the Reporting Period:

Party who brought the law suit (applicant)	Respondent (Appellee) party	Party who bear joint and several liability	Type of litigation and arbitration	Basic information on litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) has created an estimated liability and the amount thereof	Progress of litigation (arbitration)	Outcome of litigation (arbitration) and its implications	Enforcement of litigation judgment (arbitration award)
Ninth Metallurgical Construction Co., Ltd.	Xi'an University of Technology	None	Litigation	Engineering project construction contract dispute	22,294.16	-	First trial in progress	Not decided	-
Shaanxi Fulin Construction and Development Co., Ltd.	Ninth Metallurgical Construction Co., Ltd.	None	Litigation	Engineering project construction contract dispute	17,354.00	-	First trial in progress	Not decided	-
Jiangxi Provincial Geological Engineering Group Co., Ltd.	Sixth Metallurgical Company	None	Litigation	Engineering project construction contract dispute	7,884.20	-	First trial in progress	Not decided	-
Sixth Metallurgical Company	Xincai County Urban Construction Investment Group Co., Ltd., Xincai County Finance Bureau	Xincai County Lifeng Industrial Co., Ltd.	Litigation	Shareholders' contribution disputes	6,200.25	-	First trial in progress	Not decided	-
Sixth Metallurgical Company	Weishi County Ruilong Properties Co., Ltd., Henan Hongyu Real Estate Co., Ltd.	None	Litigation	Engineering project construction contract dispute	9,014.48	-	First trial in progress	Not decided	-
Xincai County Development and Investment Co., Ltd.	China Aluminum Construction Development Co., Ltd., Sixth Metallurgical Company	None	Litigation	Engineering project construction contract dispute	17854.00	-	Case closed	Dismissal of the lawsuit	The court decided to dismiss the counterparty's lawsuit
China Nonferrous Metals Industry Xi'an Geotechnical Engineering Co., Ltd.	Shenyang Branch of China Aluminum International Engineering Corporation Limited	None	Litigation	Engineering project construction contract dispute	7539.51	-	Case closed	Performance completed	Case closed after completion of performance
China Nonferrous Metals Industry Twelfth Metallurgical Construction Co., Ltd.	Gui'an New Area University Town Zhi Yin Project Development Co., Ltd.	None	Litigation	Engineering project subcontracting contract dispute	2468.10	-	Case closed	Case closed by withdrawal of lawsuit	Case closed by withdrawal of lawsuit
ZHU Wenli, ZHAO Hongxiong, LU Zhenyu	Hainan Weide Investment Co., Ltd.	China Aluminum Great Wall Construction Co., Ltd.	Litigation	Engineering project construction contract dispute	4423.02	-	Case closed	Great Wall Construction assumes no liability	Case closed by judgment

(III) Other explanation

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

IX. CREDIBILITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

☐Applicable ✓Not applicable

X. MATERIAL RELATED-PARTY (CONNECTED) TRANSACTIONS

Significant related party (connected) transactions of the Group for the six months ended 30 June 2026 are set out in "Note 10 RELATED PARTIES AND RELATED PARTY TRANSACTIONS" to the financial statements. Some of the above related party (connected) transactions constitute connected transactions under the SSE Listing Rules, and also constitute connected transactions as prescribed in Chapter 14A under 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 one-time related party (connected) transactions

There were no non-exempt one-time related party (connected) transactions during the Current Report Period.

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

The Group conducted certain related party (connected) transactions during the Current Reporting Period which also constituted nonexempt continuing connected transactions under Chapter 14A of the HKEX Listing Rules.

The annual caps and actual transaction amount of such continuing related party (connected) transactions for 2026 are set out in the following table:

Events of related party (connected) transactions	Related party (connected person)	2026 annual cap (RMB million)	2026 annual actual transaction amount (RMB million)
1. Provision of engineering services by the Group	Chinalco	12,000	3,298
2. Provision of commodities by the Group	Chinalco	1,500	261
3. Provision of general services by the Group	Chinalco	100	6
4. Provision of general services to the Group	Chinalco	160	42
5. Provision of commodities to the Group	Chinalco	2,000	785
6. Provision of financial services to the Group – deposit service (highest daily deposit balance including accrued interest)	Chinalco Finance	6,000	2,348
7. Provision of financial services to the Group – credit lending service (highest daily loan balance including accrued interest)	Chinalco Finance	8,000	3,160
8. Provision of financial services to the Group – factoring service (daily limit for factoring business)	Chinalco Finance	20,000	0
9. Provision of financial services to the Group – Other financial service	Chinalco Finance	3.3	0
10. Daily balance of provision of accounts receivable factoring and accounts payable factoring and financial leasing services to the Group	Chinalco Capital	300	0
11. Total annual fees of provision of accounts receivable factoring and accounts payable factoring and financial leasing services to the Group	Chinalco Capital	10	0

1. **Provision of engineering services by the Group**

The Company renewed the engineering service master agreement with Chinalco on 26 May 2025, 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, engineering management, EPC general contracting 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 26 May 2025.

The initial term of the engineering service master agreement commenced from 1 January 2026 and shall expire on 31 December 2028, 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, 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 2026 was RMB12,000 million and the actual transaction amount was RMB3,298 million.

2. **Provision of commodities by the Group**

The Company renewed the general sale and purchase agreement of commodities with Chinalco on 26 May 2025, pursuant to which, the Group could provide products of the Group to Chinalco and/or its associates from time to time. 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 26 May 2025.

The initial term of the general sale and purchase agreement of commodities commenced from 1 January 2026 and shall expire on 31 December 2028, 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, 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 2026 was RMB1,500 million and the actual transaction amount was RMB261 million.

3. Provision of general services by the Group

The Company renewed the master agreement of general services with Chinalco on 26 May 2025, 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 26 May 2025.

The initial term of the master agreement of general services commenced from 1 January 2026 and shall expire on 31 December 2026, 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, 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 2026 was RMB100 million and the actual transaction amount was RMB6 million.

4. Provision of general services to the Group

The Company renewed the master agreement of general services with Chinalco on 26 May 2025, 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 26 May 2025.

The initial term of the master agreement of general services commenced from 1 January 2026 and shall expire on 31 December 2026, 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, 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 2026 was RMB160 million and the actual transaction amount was RMB42 million.

5. Provision of commodities to the Group

The Company renewed the master agreement of sale and purchase of commodities with Chinalco on 26 May 2025, 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, raw materials 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 26 May 2025.

The initial term of the general sale and purchase agreement of commodities commenced from 1 January 2026 and shall expire on 31 December 2026, 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, 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 2026 was RMB2,000 million and the actual transaction amount was RMB785 million.

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 corresponding 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 corresponding period; Chinalco Finance guarantees the safety of the Group's deposits and will promptly and fully repay the Group's funding needs when the Group requests funds. 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 highest 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 RMB2,348 million.

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 aforementioned settlement services to the Group free of charge; Chinalco Finance shall ensure the safe operation of the fund settlement network, safeguard fund security, control asset and liability risks, and meet the Group's payment needs.

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 a preferential loan interest rate, which is not higher than the benchmark loan interest rate for similar loans in the same period uniformly issued by the People's Bank of China from time to time, nor higher than the interest rates for similar loans of major domestic commercial banks in China in 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; during the term of the new financial services agreement, the highest daily loan balance (including accrued interest) provided by Chinalco Finance to the Group shall not exceed RMB8,000 million. During the Reporting Period, the actual maximum daily loan balance was RMB3,160 million.

Factoring services:
Subject to relevant PRC laws and regulations, Chinalco Finance provides accounts receivable factoring services for the Group according to the Group's operation and development needs; 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; The daily factoring business limit provided by Chinalco Finance to the Group shall not exceed RMB20,000 million within the validity period of the New Financial Services Agreement. During the Reporting Period, the actual transaction amount was RMB0 million.

Other financial services:
Chinalco Finance will provide the Group with entrusted loans and other financial services within its business scope according to the Group's instructions and requirements. Before Chinalco Finance provides other financial services to the Group, both parties shall negotiate and enter into a separate agreement; The fees charged by Chinalco Finance for the provision of other financial services shall comply with the charging standards set by the People's Bank of China or the China Banking Regulatory Commission for such services, and shall not be higher than the fees charged by major domestic commercial banks in China for similar financial services. During the term of the new financial services agreement, for the three years ended 31 December 2026, the fees charged by Chinalco Finance for providing other financial services to the Group shall not be higher than RMB3.4 million, RMB3.3 million and RMB3.3 million, respectively. During the Reporting Period, the actual transaction amount was RMB0 million.

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 report, Chinalco directly held 72.88% 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 or indirectly held 100% 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. 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 deposit services and their proposed caps and the factoring services and their proposed caps under the new financial services agreement have a maximum applicable percentage of more than 5%, therefore, 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 maximum applicable percentage of the deposit services and their proposed caps under the new financial services agreement is higher than 25% but lower than 75%, the deposit services constitute a major transaction of the Company under Chapter 14 of the HKEX Listing Rules and shall follow the requirements for announcement, reporting and shareholder approval under Chapter 14 of the HKEX Listing Rules.

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 minimum exemption level stipulated in Rule 14A.76 of the HKEX Listing Rules, the settlement services and other financial services may be 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 maximum applicable percentage of the factoring service and its proposed cap under the new financial services agreement is higher than 5% but lower than 25%, the factoring service constitutes a discloseable transaction of the Company under Chapter 14 of the HKEX Listing Rules, It is also subject to the announcement and reporting requirements under Chapter 14 of the HKEX Listing Rules.

7. Provision of accounts receivable and accounts payable factoring and financial leasing services to the Group

On 28 March 2025, the Company entered into the Agreement on Factoring of Accounts Receivable and Accounts Payable and Financial Leasing with Chinalco Capital. The cooperation agreement stipulates that the Group may engage in cooperation with Chinalco Capital regarding factoring services for accounts receivable and accounts payable (including E Xin Rong business) and financial leasing business, whereby Chinalco Capital's controlled subsidiaries may provide such services to the Group and its cooperating parties; the cooperation agreement establishes specific pricing policies and specifies that the term of validity shall commence from the date of approval by the competent approval bodies of both parties, following the Company's completion of its related party transaction decision-making and disclosure procedures and the signing and sealing of the agreement by the Company and Chinalco Capital and shall continue until 31 December 2027. The business balance limits stipulated in the cooperation agreement are as follows: during the contract term, the aggregate balance of accounts receivable factoring, accounts payable E Xin Tong services and financial leasing business shall not exceed RMB300 million. The agreed cap of the fees is the total annual fees during the contract term shall not exceed RMB10 million. The actual transaction amount during the Reporting Period was RMB0 million.

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. Chinalco Capital is a subsidiary of Chinalco's subsidiary and thus a related party (connected person) of the Company.

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.

(III) Connected transactions related to daily operations

1. Events disclosed in provisional announcements and without subsequent development or change in implementation

☐Applicable ✓Not applicable

2. Events disclosed in provisional announcements but with subsequent development or change in implementation

☐Applicable ✓Not applicable

3. Events not disclosed in provisional announcements

☐Applicable ✓Not applicable

(IV) Related party transactions arising from the acquisition of assets or the acquisition or disposal of equity interests

1. Events disclosed in provisional announcements and without subsequent development or change in implementation

☐Applicable ✓Not applicable

2. Events disclosed in provisional announcements but with subsequent development or change in implementation

☐Applicable ✓Not applicable

3. Events not disclosed in provisional announcements

☐Applicable ✓Not applicable

4. Related party transactions arising from the acquisition of assets or the acquisition or disposal of equity interests

☐Applicable ✓Not applicable

(V) Material related party transactions in joint external investments

1. Events disclosed in provisional announcements and without subsequent development or change in implementation

☐Applicable ✓Not applicable

2. Events disclosed in provisional announcements but with subsequent development or change in implementation

☐Applicable ✓Not applicable

3. Events not disclosed in provisional announcements

☐Applicable ✓Not applicable

(VI) Amounts due to or from related parties

1. Events disclosed in provisional announcements and without subsequent development or change in implementation

☐Applicable ✓Not applicable

2. Events disclosed in provisional announcements but with subsequent development or change in implementation

☐Applicable ✓Not applicable

3. Events not disclosed in provisional announcements

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

		Provision of funds to related party			Provide funds to listed companies by related parties		
Related party	**Related party relationship**	**Opening balance**	**Amount incurred**	**Closing balance**	**Opening balance**	**Amount incurred**	**Balance as at the end of the period**
Chinalco Finance	Controlled subsidiary of parent company	0	0	0	3,160,200	–522,270	2,637,930
Total	/	0	0	0	3,160,200	–522,270	2,637,930

Reasons for the formation of related creditor's rights and debts	Loans provided by Chinalco Finance to the Company and its subsidiaries
Impact of such claims and liabilities between related parties on the Company's operating result and financial position	No impact

(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

Unit: '000 Currency: RMB

Related party	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	Controlled subsidiary of parent company	6,000,000	0.2%-0.5%	1,935,475	0	795,670	1,139,805
Total	/	/	/	1,935,475	0	795,670	1,139,805

2. Loan business

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	Loan facility	Range of deposit interest rate	Opening balance	Amount incurred during the period		Balance as at the end of the period
					Total loan amount for the period	Total repayment amount for the period	
Chinalco Finance	Controlled subsidiary of parent company	8,000,000	1.98%-2.65%	3,160,200	0	522,270	2,637,930
Total	/	/	/	3,160,200	0	522,270	2,637,930

3. Credit business or other financial business

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	Business type	Total	Actual amount incurred
Chinalco Finance	Controlled subsidiary of parent company	Factoring business	2,000,000	0
Chinalco Finance	Controlled subsidiary of parent company	Other financing businesses	3,300	0
Chinalco Capital	Controlled subsidiary of parent company	Daily balance of accounts receivable factoring, accounts payable factoring and finance lease businesses	300,000	0
Chinalco Capital	Controlled subsidiary of parent company	Service fees of accounts receivable factoring, accounts payable factoring and finance lease businesses	10,000	0

4. Other explanation

☐Applicable ✓Not applicable

(VIII) Other significant related-party transactions

☐Applicable ✓Not applicable

(IX) Others

☐Applicable ✓Not applicable

XI. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Custody, contracting and leasing matters

☐Applicable ✓Not applicable

(II) Performed and outstanding material guarantees during the Reporting Period

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

External guarantees (other than to subsidiaries)															
Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Main debt	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee	Whether guarantee for related party or not	Related party relationship
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	963,675	2021/9/17	2019/10/31	2047/10/31	General guarantee	Punctual payment of principal and interest	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	1,390,914	2022/3/31	2022/3/31	2047/3/21	General guarantee	Punctual payment of principal and interest	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	213,871	2021/3/18	2021/3/18	2046/3/18	General guarantee	Punctual payment of principal and interest	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	299,582	2021/12/28	2021/12/28	2046/12/28	General guarantee	Punctual payment of principal and interest	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	340,900	2022/5/25	2022/5/28	2047/5/28	General guarantee	Punctual payment of principal and interest	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	213,528	2021/3/18	2021/4/20	2049/4/20	General guarantee	Punctual payment of principal and interest	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	191,155	2021/12/28	2022/1/6	2049/1/6	General guarantee	Punctual payment of principal and interest	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	585,414	2021/9/17	2019/10/31	2047/10/31	Joint liability guarantee	Punctual payment of principal and interest	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	38,927	2020/9/28	2020/9/28	2048/9/28	General guarantee	Punctual payment of principal and interest	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	233,264	2020/11/26	2021/1/4	2048/1/4	General guarantee	Punctual payment of principal and interest	None	No	No	0	None	No	

SECTION VII KEY MATTERS

External guarantees (other than to subsidiaries)

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Main debt	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee	Whether guarantee for related party or not	Related party relationship
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	205,068	2022/1/18	2022/1/25	2048/1/25	General guarantee	Punctual payment of principal and interest	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	80,838	2020/9/28	2020/10/20	2048/10/20	General guarantee	Punctual payment of principal and interest	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	207,927	2021/12/20	2021/12/20	2048/12/20	General guarantee	Punctual payment of principal and interest	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	40,333	2020/9/28	2020/9/28	2043/9/28	General guarantee	Punctual payment of principal and interest	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	165,139	2020/12/21	2020/12/21	2043/12/22	General guarantee	Punctual payment of principal and interest	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	409,356	2020/12/29	2021/5/28	2046/5/28	General guarantee	Punctual payment of principal and interest	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	415,806	2021/12/1	2021/12/17	2046/12/17	General guarantee	Punctual payment of principal and interest	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	291,397	2024/11/11	2024/11/28	2047/12/25	General guarantee	Punctual payment of principal and interest	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	17,511	2021/2/10	2021/2/10	2048/12/31	General guarantee	Punctual payment of principal and interest	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	621,133	2021/12/24	2021/12/24	2046/12/24	General guarantee	Punctual payment of principal and interest	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	39,401	2020/10/12	2020/11/4	2043/1/4	General guarantee	Punctual payment of principal and interest	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	214,021	2020/12/22	2021/7/24	2044/10/24	General guarantee	Punctual payment of principal and interest	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	20,573	2022/1/25	2021/3/11	2044/3/11	General guarantee	Punctual payment of principal and interest	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	380,168	2020/12/30	2021/4/15	2046/4/15	General guarantee	Punctual payment of principal and interest	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	172,340	2021/12/1	2021/12/30	2046/12/30	General guarantee	Punctual payment of principal and interest	None	No	No	0	None	No	

SECTION VII KEY MATTERS

External guarantees (other than to subsidiaries)															
Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Main debt	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee	Whether guarantee for related party or not	Related party relationship
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	209,148	2021/12/24	2021/12/30	2046/12/30	General guarantee	Punctual payment of principal and interest	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	21,391	2023/12/29	2023/12/29	2046/12/31	General guarantee	Punctual payment of principal and interest	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	81,000	2023/12/29	2023/12/29	2046/12/31	General guarantee	Punctual payment of principal and interest	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	80,577	2025/9/28	2025/9/28	2043/1/22	General guarantee	Punctual payment of principal and interest	None	No	No	0	None	No	
Hanzhong Ninth Metallurgical Construction Co., Ltd.	Controlled subsidiary	Mian County Urban and Rural Infrastructure Construction Co., Ltd.	4,525	2015/10/20	2015/10/20	2027/10/19	General guarantee	Punctual payment of principal and interest	None	No	No	0	None	No	
Cumulative amount of guarantees provided during the Reporting Period (excluding those for subsidiaries)															–48,695
Total guarantee balance at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)															8,148,882
Guarantees provided by the Company to subsidiaries															
Cumulative amount of guarantees provided for subsidiaries during the Reporting Period															–1,750
Total balance of guarantees to subsidiaries at the end of the Reporting Period (B)															354,374
The total amount of guarantees provided by the company (including guarantees to subsidiaries)															
Total amount of guarantees (A+B)															8,503,256
Ratio of total amount of guarantees to net assets of the Company (%)															123.14%
Including:															
Amount of guarantees provided for shareholders, de facto controller and their related parties (C)															
Amount of guarantees provided directly or indirectly to secure debts of the guaranteed with a assets-liabilities ratio over 70% (D)															6,658,980
The amount of the total guarantee exceeding 50% of the net assets (E)															5,050,475
Sum of above 3 guarantee amounts (C+D+E)															11,709,455
Explanation on the potential joint liability arising from the immature guarantees															
Description of guarantees															

(III) Other material contracts

☐Applicable ✓Not applicable

XII. DESCRIPTION OF THE PROGRESS OF THE USE OF PROCEEDS

☐Applicable ✓Not applicable

XIII. EXPLANATIONS OF OTHER MATERIAL MATTERS

☐Applicable ✓Not applicable

SECTION VIII CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

1. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

There was no change in the total number of shares and the structure of share capital of the Company during the Reporting Period.

2. Explanation of changes in shares

☐Applicable ✓Not applicable

3. Effect of changes in shares on financial indicators such as earnings per share and net assets per share within the period from the end of the Reporting Period to the disclosure date of the interim report (if any)

✓Applicable ☐Not applicable

The Company's 918,300 restricted shares were repurchase and canceled on 6 August 2026, the current repurchase and cancellation had a minor impact on the Company's financial indicators such as earnings per share and net assets per share.

4. Other information disclosure which the Company deems necessary or is required by the securities regulatory authority

☐Applicable ✓Not applicable

(II) Particulars of changes in restricted shares

☐ Applicable ✓Not applicable

2. PARTICULARS OF SHAREHOLDERS

(I) The issuance and listing of the shares

The Company is a subsidiary of Chinalco and listed on the Main Board of the Stock Exchange (Stock Code: 2068) on 6 July 2012 with an offer price of HK$3.93 per H share. The Company is listed on the SSE (Stock Code: 601068) on 31 August 2018 with an offer price of RMB3.45 per A share. As of 30 June 2026, the total number of shares in issuance of the Company is 2,987,836,267 shares, which is comprised of 399,476,000 H shares, representing 13.37% of the issued share capital, and 2,588,360,267 A shares, representing 86.63% of the issued share capital.

As at 30 June 2026, the Company's share capital structure was as follows:

Class of shares	As at 30 June 2026 Number of shares held (shares)	Percentage of issued share capital (%)
A shares	2,588,360,267	86.63
Including: Outstanding shares not subject to selling restrictions	2,559,590,667	85.67
Shares with sales restrictions	28,769,600	0.96
H shares	399,476,000	13.37
Total	2,987,836,267	100.00

(II) Total number of shareholders:

Total number of ordinary shareholders by the end of Reporting Period	40,198
Total number of shareholders of preferred shares with voting right reinstated by the end of Reporting Period	N/A

(III) Table of shareholding by top 10 shareholders and top 10 circulating shareholders (or shareholders of unrestricted shares)

Unit: Share

Shareholding of top 10 shareholders(excluding the lending of shares through refinancing facilities)							
Name of shareholder (full name)	Increase or reduction during this Reporting Period	Number of shares held at end of the year	Percentage (%)	Number of restricted shares held	Pledged, marked or frozen shares		Nature of shareholder
					Status of shares	Number (shares)	
Aluminum Corporation of China (中國鋁業集團有限公司)	0	2,176,758,534	72.85	0	None	0	State-owned legal person
HKSCC Nominees Limited	0	399,476,000	13.37	0	Unknown	Unknown	Overseas legal person
Luoyang Engineering & Research Institute for Nonferrous Metals Processing	0	86,925,466	2.91	0	None	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	837,923	11,307,024	0.38	0	None	0	Overseas legal person
Aladdin Legendary Technology Group Co., Ltd.	0	5,600,000	0.19	0	None	0	Other
China Construction Bank Corporation – GF Quantitative Multi-Factor Flexible Allocation Hybrid Securities Investment Fund	3,764,100	3,764,100	0.13	0	None	0	Other
Goldman Sachs International – Self owned funds	2,247,216	3,288,519	0.11	0	None	0	Other
GU Jing	0	2,773,100	0.09	0	None	0	Domestic natural person
Penghua Fund Management Co., Ltd. – Social Security Fund Portfolio 1804	945,500	2,170,100	0.07	0	None	0	Other
China Construction Bank Corporation – Hui Tian Fu CSI 1000 Index Enhanced Securities Investment Fund	1,152,788	1,822,488	0.06	0	None	0	Other

Shareholding of the top 10 holders of shares 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 Nonferrous Metals Processing	86,925,466	Renminbi ordinary shares	86,925,466
Hong Kong Securities Clearing Company Limited	11,307,024	Renminbi ordinary shares	11,307,024
Aladdin Legendary Technology Group Co., Ltd.	5,600,000	Renminbi ordinary shares	5,600,000
China Construction Bank Corporation – GF Quantitative Multi-Factor Flexible Allocation Hybrid Securities Investment Fund	3,764,100	Renminbi ordinary shares	3,764,100
Goldman Sachs International – Self owned funds	3,288,519	Renminbi ordinary shares	3,288,519
GU Jing	2,773,100	Renminbi ordinary shares	2,773,100
Penghua Fund Management Co., Ltd. – Social Security Fund Portfolio 1804	2,170,100	Renminbi ordinary shares	2,170,100
China Construction Bank Corporation – Hui Tian Fu CSI 1000 Index Enhanced Securities Investment Fund	1,822,488	Renminbi ordinary shares	1,822,488
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 related party relationship or acting in concert in respect of the above shareholders	Note 1: The number of shares held by Aluminum Corporation of China did not include A shares of the Company indirectly held through its subsidiary Luoyang Engineering & Research Institute for Nonferrous Metals Processing and H shares of the Company indirectly held through its subsidiary YAIC. Aluminum Corporation of China 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 76.42% of the total share capital of the Company. Note 2: The 399,476,000 H shares of the Company held by Hong Kong Securities Clearing Company Nominees Limited included the 19,495,000 H shares held by Aluminum Corporation of China through its subsidiary Yunnan Aluminum International Limited. Note 3: Except the above, the Company is not aware that the above shareholders have any related relationship or are acting in concert among each other.
Explanation of shareholders of preferred shares with reinstated voting rights and the number of shares held	N/A

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

Number of shares held by top ten restricted shareholders and restriction conditions

✓Applicable ☐Not applicable

Unit: Share

No.	Name of restricted shareholders	Number of restricted shares held	Availability of restricted shares for listing and trading: Time of available for trading	Availability of restricted shares for listing and trading: Number of new shares available for listing and trading	Selling restrictions
1	LI Yihua	267,400	See Notes	0	See Notes
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 (totaling 14 persons)	2,599,800			
Explanation of related party relationship or acting in concert in respect of the above shareholders		Ms. ZHAO Hongmei ceased to serve as a director of the Company from 30 June 2025 and retired on 6 February 2026, ceasing to hold other positions in the Company's controlling shareholder and its affiliated enterprises. Apart from this, the above-mentioned persons all hold positions in the Company or its subsidiaries.			

Notes:

1. The shares held by the above-mentioned restricted shareholders are all restricted shares granted under the Company's 2023 Restricted Stock Incentive Scheme. Such restricted shares 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 unlocking arrangements shall be linked to the unlocking conditions and the corresponding assessment of annual performance appraisal results.

2. Among the above-mentioned 14 other participants, 185,700 restricted shares held by 1 participant were repurchased and canceled on 6 August 2026.

(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 30 June 2026, so far as known to the directors of the Company, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept pursuant to Section 336 of the SFO, or who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at shareholders' meetings of the Company:

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)	84.10	72.85
		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
Peaktrade Investments Ltd.	H share	Beneficial owner	59,210,000 (Long position)	14.82	1.98
China XD Group Co., Ltd.	H share	Beneficial owner	29,612,000 (Long position)	7.41	0.99
Yunnan Tin (Hong Kong) Resources Company Limited *(Note 5)*	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 30 June 2026 by total number of Shares.

Note 2: Chinalco is interested in 2,263,684,000 A shares, representing approximately 75.76% of the total share capital of the Company, among them, Chinalco directly holds 2,176,758,534 A shares, representing approximately 72.85% 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: According to the Company's understanding, the shares of Chalieco held by Hong Kong Yuanxing Company were transferred to Yunnan Tin (Hong Kong) Resources Co., Ltd., and currently these shares are held by Yunnan Tin (Hong Kong) Resources Co., Ltd.

3. DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF THE COMPANY

(I) Interests held by Directors and the General Manager (Chief Executive)

As of 30 June 2026, the interests held by Directors and the general manager (chief executive) of the Company's are as follows:

Name	Position	Nature of Interest	Number of A shares held in the Company	% of total A share capital as of 30 June 2026	% of total share capital as of 30 June 2026
LI Yihua	Chairman, Executive Director	Beneficial owner	267,400 shares	0.01%	0.01%
LIU Jing	Executive Director, general manager	Beneficial owner	267,400 shares	0.01%	0.01%
LIU Dongjun	Employee representative Director	Beneficial owner	200,600 shares	0.01%	0.01%
TAO Fulun	Executive Director and joint company secretary	Beneficial owner	183,900 shares	0.01%	0.01%

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

Except as otherwise disclosed above, as at 30 June 2026, none of the Directors and general manager (chief executive) of the Company had any 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 Stock Exchange 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, to be notified to the Company and the Stock Exchange.

Save as disclosed above, the following senior management personnel of the Company were granted restricted shares under the Company's 2023 Restricted Share Incentive Scheme:

Name	Position	Number of restricted shares granted (shares)
ZHOU Dongfang	Deputy general manager	200,600
HAN Ziyang	Deputy general manager	135,100
BAI Jie	Deputy general manager, general counsel	160,700

Save as disclosed above, as of 30 June 2026, the Company has not granted any rights to subscribe for shares, underlying shares or debentures of the Company or any associated corporation (as defined in the SFO) to any director, general manager (chief executive) or other senior management personnel.

(II) Particulars of changes in shareholding of existing and resigned Directors and senior management during the Reporting Period

☐Applicable ✓Not applicable

Explanation of other situation

☐Applicable ✓Not applicable

SECTION VIII CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

1. EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2026, the Company had 10,043 employees in service, among which male employees accounted for 8,512 and female employees accounted for 1,531, representing 84.76% and 15.24% respectively.

In accordance with the regulations applicable to enterprises and the relevant provisions of local governments at various levels where the Company operates, the Company has established pension insurance, medical insurance, unemployment insurance, maternity insurance and work-related injury insurance for its employees. In addition, the Company and some of its subsidiaries have also established an enterprise annuity system to provide employees with further retirement security. In accordance with applicable laws and regulations, the premiums of the above social insurance are paid strictly in accordance with the provisions of the state and relevant provinces, autonomous regions and municipalities directly under the Central Government. The Company has also established a housing provident fund for its employees in accordance with applicable regulations.

In the first half of 2026, the actual employee remuneration paid by the Company amounted to RMB1,082.32 million. The Company signs written employment contracts with employees in accordance with the Labor Contract Law of the People's Republic of China, stipulating terms regarding probation period and penalties for violations, termination of labor contracts, payment of wages and economic compensation, and social insurance premiums. The Company has adopted various measures to improve employment relationship management and has earnestly fulfilled its statutory obligations. The Company conducts employee training related to its business development strategies, operating objectives and job responsibilities, and continuously explores innovative ways for training.

The Company has established a trade union to protect the rights of employees and encourages employees to participate in the management of the Company. During the Reporting Period, the Company did not experience any strike or other labor disputes that affected the management and operation of the Company.

The Company is committed to providing training for its employees. The scope of induction training and continuous training programs includes management skills and technical training, overseas exchange programs and other courses.

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

☐Applicable ✓Not applicable

(IV) Other explanation

✓Applicable ☐Not applicable

4. CHANGES IN CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

☐Applicable ✓Not applicable

5. PARTICULARS OF PREFERRED SHARES

☐Applicable ✓ Not applicable

SECTION IX INFORMATION ON BONDS

I. CORPORATE BONDS (INCLUDING ENTERPRISE 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

(1) Use of proceeds for specific projects

☐Applicable ✓Not applicable

(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

(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

Unit: ’000 Currency: RMB

Name of bonds	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 2025 First Tranche of Sustainable MTN	25 Chalieco MTN001	102583191	2025-08-05	2025-08-05	Enter first redemption period on 4 August 2028	2,000,000	2.25%	Interest shall be paid once a year	Interbank market	None	Bidding, quotation, enquiry agreement	No
China Aluminum International 2025 First Tranche of Sustainable MTN	25 Chalieco MTN002	102583976	2025-09-19	2025-09-19	Enter first redemption period on 18 September 2028	1,800,000	2.42%	Interest shall be paid once a year	Interbank market	None	Bidding, quotation, enquiry agreement	No

Countermeasures for the risk of bonds de-listing

☐Applicable ✓Not applicable

Overdue outstanding bonds

☐Applicable ✓Not applicable

Explanation of overdue debts

☐Applicable ✓Not applicable

2. Triggering and enforcement of company or investor option clauses, investor protection clauses

☐Applicable ✓Not applicable

3. Adjustments to credit rating results

☐Applicable ✓Not applicable

Other explanation

None

4. **Implementation and variations of guarantees, debt repayment plans and other debt repayment guarantee measures during the Reporting Period and their impacts**

☐Applicable ✓Not applicable

Other explanation

None

5. **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 last year

☐Applicable ✓Not applicable

(VII) Violations of regulations and agreements

Any violations of laws and regulations, self-regulatory rules, the Articles of Association, information disclosure management systems, or the terms and commitments set forth in the bond offering memorandum during the Reporting Period, as well as the impact of such violations on the rights and interests of bond investors

☐Applicable ✓Not applicable

(VIII) Key accounting figures and financial indicators

✓Applicable ☐Not applicable

Unit: ’000 Currency: RMB

Key indicators	As at the end of Current Reporting Period	As at the end of the last year	Changes for Current Reporting Period as compared with the end of the last year (%)
Current ratio	1.27	1.31	–3.05
Quick ratio	1.18	1.22	–3.28
Asset-liability ratio (%)	77.25	77.46	–0.21

	The Current Reporting Period (From January to June)	Corresponding period of last year	Changes for Current Reporting Period as compared with the corresponding period of last year (%)
Net profit after deduction of non-recurring gain or loss	79,378	55,926	41.93
EBITDA/all debts ratio	0.04	0.02	100.00
Interest coverage multiple	2.76	2.77	–0.36
Cash interest coverage multiple	2.58	–1.50	N/A
EBITDA interest coverage multiple	3.85	3.69	4.34
Loan repayment rate (%)	100.00	100.00	0
Interest coverage ratio (%)	100.00	100.00	0

II. CONVERTIBLE CORPORATE BONDS

☐Applicable ✓Not applicable

SECTION X FINANCIAL REPORT

Grant Thornton
致同

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
www.grantthornton.cn

(English Translation for Reference Only)

REVIEW REPORT

GTCNSZ (2026) NO.110A034203

To the Shareholders of China Aluminum International Engineering Corporation Limited:

We have reviewed the accompanying financial statements of China Aluminum International Engineering Corporation Limited (hereinafter "the Company"), which comprise the consolidated and company statement of financial position as at 30 June 2026, consolidated and company income statements for the six-month period ended 30 June 2026, consolidated and company cash flow statements for the six-month period ended 30 June 2026, consolidated and company statements of changes in equity for the six-month period ended 30 June 2026 and notes to the financial statements. Management of the Company is responsible for the preparation of these financial statements. Our responsibility is to issue a review report on these financial statements based on our review.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. This Standard requires us to plan and perform the review to obtain limited assurance about whether the financial statements are free from material misstatements. A review is limited primarily to procedures as enquiry of the Company's personnel and analytical review procedures applied to the financial information and thus provides less assurance than an audit. We have not performed an audit and therefore, we do not express an audit opinion.

Based on our review, we are not aware of any matter to cause us believe that the consolidated and company financial statements are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises and do not present fairly, in all material respects, the consolidated and company financial position as at 30 June 2026, and operating performance and cash flows for the period ended 30 June 2026.

Grant Thornton Zhitong Certified Public Accountants LLP	PRC Certified Public Accountant (engagement partner)	Li Yang
	PRC Certified Public Accountant (engagement partner)	Gu Weitao
China • Beijing	13 August 2026	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

Prepared by: China Aluminum International Engineering Corporation Limited   Expressed in thousands of RMB

Item	Notes	As at 30 June 2026	As at 31 December 2025
Current assets:			
Cash and cash equivalents	5.1	3,562,992	4,262,803
Held-for-trading financial assets			
Bills receivable	5.2	193,558	269,546
Accounts receivable	5.3	16,602,797	15,628,542
Financing receivables	5.4	136,353	171,098
Prepayments	5.5	652,916	625,753
Other receivables	5.6	911,621	962,606
Including: Interests receivable	5.6	6,440	6,440
Dividends receivable	5.6	4,010	3,752
Inventories	5.7	2,201,573	2,107,404
Contract assets	5.8	6,572,527	6,597,171
Held-for-sale assets			
Non-current assets due within one year	5.9	224,666	271,397
Other current assets	5.10	1,021,354	916,272
Total current assets		32,080,357	31,812,592
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables	5.11	1,164,213	1,223,559
Long-term equity investments	5.12	607,120	626,291
Other equity instrument investments	5.13	41,341	40,973
Other non-current financial assets			
Investment properties	5.14	1,144,409	1,162,266
Fixed assets	5.15	2,442,628	2,551,833
Construction in progress	5.16	81,174	80,082
Productive biological assets			
Oil and gas assets			
Right-of-use assets	5.17	26,317	34,817
Intangible assets	5.18	1,276,026	1,289,176
Development costs	5.19	2,440	2,156
Goodwill	5.20	875	875
Long-term deferred expenses	5.21	106,653	100,310
Deferred tax assets	5.22	1,287,852	1,286,386
Other non-current assets	5.23	302,241	335,181
Total non-current assets		8,483,289	8,733,905
Total assets		40,563,646	40,546,497

Item	Notes	As at 30 June 2026	As at 31 December 2025
Current liabilities:			
Short-term loans	5.25	870,133	944,437
Held-for-trading financial liabilities			
Bills payable	5.26	2,475,637	3,241,980
Accounts payable	5.27	10,025,891	9,891,601
Receipts in advance	5.28	9,460	7,433
Contract liabilities	5.29	5,448,030	4,345,053
Employee compensation payables	5.30	115,124	108,109
Taxes payable	5.31	185,841	231,326
Other payables	5.32	1,567,508	1,632,334
Including: Interests payable			
Dividends payable		155,571	32,948
Held-for-sale liabilities			
Non-current liabilities due within one year	5.33	2,713,367	2,122,456
Other current liabilities	5.34	1,850,497	1,814,057
Total current liabilities		25,261,488	24,338,786
Non-current liabilities:			
Long-term loans	5.35	5,465,988	6,443,924
Bonds payable			
Lease liabilities	5.36	18,891	18,311
Long-term payables			
Long-term employee compensation payables	5.37	450,170	468,538
Provisions			
Deferred income	5.38	67,872	65,341
Deferred tax liabilities	5.22	70,345	70,456
Other non-current liabilities			
Total non-current liabilities		6,073,266	7,066,570
Total liabilities		31,334,754	31,405,356

Item	Notes	As at 30 June 2026	As at 31 December 2025
Shareholders' equity:			
Share capital	5.39	**2,987,836**	2,987,836
Other equity instruments	5.40	**3,800,000**	3,800,000
Including: Preferred shares			
Perpetual bonds		**3,800,000**	3,800,000
Capital reserves	5.41	**1,440,963**	1,431,418
Less: treasury shares	5.42	**68,003**	68,003
Other comprehensive income	5.43	**144,009**	114,026
Special reserve	5.44	**340,389**	320,853
Surplus reserve	5.45	**229,735**	229,735
Retained Earnings	5.46	**–1,969,368**	–2,019,898
Equity attributable to owners of the parent		**6,905,561**	6,795,967
Non-controlling interests		**2,323,331**	2,345,174
Total shareholders' equity		**9,228,892**	9,141,141
Total liabilities and shareholders' equity		**40,563,646**	40,546,497

Legal Representative:	Chief Financial Officer:	Head of Accounting Department:
Li Yihua	Tao Fulun	Chang Zhangpei

STATEMENT OF FINANCIAL POSITION OF THE PARENT

As at 30 June 2026

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Notes	As at 30 June 2026	As at 31 December 2025
Current assets:			
Cash and cash equivalents		**1,337,840**	2,293,594
Held-for-trading financial assets			
Bills receivable		**30**	517
Accounts receivable	15.1	**1,139,431**	1,255,108
Financing receivables		**4,808**	56,417
Prepayments		**107,187**	129,158
Other receivables	15.2	**6,211,234**	6,434,802
Including: Interests receivable	15.2	**349,921**	351,190
Dividends receivable	15.2	**628,288**	494,525
Inventories		**1,606**	1,606
Contract assets		**247,210**	139,459
Held-for-sale assets			
Non-current assets due within one year		**212,443**	198,516
Other current assets		**311,538**	282,321
Total current assets		**9,573,327**	10,791,498
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables		**1,913,796**	2,095,151
Long-term equity investments	15.3	**8,937,230**	8,960,781
Other equity instrument investments			
Other non-current financial assets			
Investment properties		**16,299**	20,006
Fixed assets		**118,301**	121,454
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		**113,002**	116,412
Development costs			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		**154,627**	156,170
Other non-current assets			
Total non-current assets		**11,253,255**	11,469,974
Total assets		**20,826,582**	22,261,472

SECTION X FINANCIAL REPORT

Item	Notes	As at 30 June 2026	As at 31 December 2025
Current liabilities:			
Short-term loans		–	400,000
Held-for-trading financial liabilities			
Bills payable		18,949	75,380
Accounts payable		1,071,612	1,249,005
Receipts in advance		864	867
Contract liabilities		900,511	904,925
Employee compensation payables		4,270	4,008
Taxes payable		24,767	26,708
Other payables		6,947,866	6,769,487
Including: Dividends payable			
Dividends payable		74,212	30,539
Held-for-sale liabilities			
Non-current liabilities due within one year		1,503,000	1,104,000
Other current liabilities		33,382	3,475
Total current liabilities		10,505,221	10,537,855
Non-current liabilities:			
Long-term loans		2,633,500	4,066,000
Bonds payable			
Lease liabilities			
Long-term payables			
Long-term employee compensation payables		2,985	3,209
Provisions			
Deferred income			600
Deferred tax liabilities		863	
Other non-current liabilities			
Total non-current liabilities		2,637,348	4,069,809
Total liabilities		13,142,569	14,607,664

SECTION X FINANCIAL REPORT

Item	Notes	As at 30 June 2026	As at 31 December 2025
Shareholders' equity:			
Share capital		**2,987,836**	2,987,836
Other equity instruments		**3,800,000**	3,800,000
Including: Preferred shares			
Perpetual bonds		**3,800,000**	3,800,000
Capital reserves		**1,176,117**	1,166,396
Less: treasury shares		**68,003**	68,003
Other comprehensive income		**13,024**	12,805
Special reserve		**118**	118
Surplus reserve		**229,735**	229,735
Retained Earnings		**–454,814**	–475,079
Equity attributable to owners of the parent		**7,684,013**	7,653,808
Non-controlling interests			
Total shareholders' equity		**7,684,013**	7,653,808
Total liabilities and shareholders' equity		**20,826,582**	22,261,472

Legal Representative:	Chief Financial Officer:	Head of Accounting Department:
Li Yihua	Tao Fulun	Chang Zhangpei

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Operating revenue	5.47	**9,047,900**	9,698,350
Less: Operating costs	5.47	**7,730,248**	8,647,193
Taxes and surcharges	5.48	**47,006**	50,896
Selling and distribution expenses	5.49	**52,787**	50,931
General and administrative expenses	5.50	**417,837**	419,689
Research and development expenses	5.51	**287,966**	284,058
Finance expenses	5.52	**241,318**	137,420
Including: Interest expenses		**112,482**	132,767
Interest income		**7,528**	14,073
Add: Other income	5.53	**5,761**	2,276
Investment income	5.54	**9,698**	1,608
Including: Income from investment in associates and joint ventures		**–18,642**	2,100
Gain from derecognition of financial assets measured at amortized cost (“–” for losses)			
Net exposure hedging gains (“–” for losses)			
Gains from changes in fair value	5.55	**–398**	
Impairment of credit losses	5.56	**–99,527**	118,185
Impairment losses on assets	5.57	**29,724**	–27,128
Gains from assets disposal	5.58	**–895**	28,468
II. Operating profit/(losses)		**215,101**	231,572
Add: Non-operating income	5.59	**14,538**	13,023
Less: Non-operating expenses	5.60	**8,158**	9,278
III. Profit/(losses) before income tax		**221,481**	235,317
Less: Income tax expenses	5.61	**76,144**	60,977
IV. Net profit/(losses) for the year		**145,337**	174,340
(1) Classification according to operation continuity			
Including: Net profit/(losses) from continuing operations		**145,337**	174,340
Net profit/(losses) from discontinued operations			
(2) Classification according to ownership			
Including: Shareholders of the company		**107,086**	102,589
Non-controlling interests		**38,251**	71,751

Item	Notes	Amount for the current period	Amount for the prior period
V. Other comprehensive income, net of tax		**17,373**	–20,703
Other comprehensive income/(losses) (net of tax) attributable to shareholders of the company	5.43	**17,100**	–13,725
(1) Other comprehensive income/(losses) that will not be reclassified to profit or losses		**4,120**	–15,215
a. Remeasurement gains or losses of a defined benefit plan		**3,862**	–15,130
b. Other comprehensive income using the equity method that will not be reclassified to profit or loss		**258**	–85
(2) Other comprehensive income/(losses) to be reclassified to profit or losses		**12,980**	1,490
a. Translation differences arising from translation of foreign currency financial statements		**12,980**	1,490
Other comprehensive income/(losses) (net of tax) attributable to non-controlling interests		**273**	–6,978
VI. Total comprehensive income		**162,710**	153,637
Attributable to: Total comprehensive income attributable to owners of the parent		**124,186**	88,864
Total comprehensive income attributable to non-controlling interests		**38,524**	64,773
VII. Earnings per share			
(1) Basic earnings per share	16.2	**0.0212**	0.0090
(2) Diluted earnings per share		**0.0212**	0.0090

Legal Representative:	Chief Financial Officer:	Head of Accounting Department:
Li Yihua	Tao Fulun	Chang Zhangpei

INCOME STATEMENT OF THE PARENT

For the six months ended 30 June 2026

Prepared by: China Aluminum International Engineering Corporation Limited — Expressed in thousands of RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Operating revenue	15.4	**491,248**	443,448
Less: Operating costs	15.4	**349,915**	376,286
Taxes and surcharges		**3,271**	1,889
Selling and distribution expenses		**12,113**	14,309
General and administrative expenses		**73,834**	72,627
Research and development expenses		**12,319**	21,137
Finance expenses		**179,864**	108,504
Including: Interest expenses		**76,065**	106,414
Interest income		**4,488**	6,908
Add: Other income	15.5	**176**	160
Investment income		**184,303**	226,223
Including: Income from investment in associates and joint ventures		**–11,725**	12,694
Gain from derecognition of financial assets measured at amortized cost (“–” for losses)			
Net exposure hedging gains (“–” for losses)	5.55		
Gains from changes in fair value (“–” for losses)			
Impairment of credit losses		**16,447**	–6,170
Impairment losses/(reversals) on assets		**–507**	–4,579
Gains from assets disposal			
II. Operating profit/(losses)		**60,351**	64,330
Add: Non-operating income		**5,228**	5,848
Less: Non-operating expenses		**138**	51
III. Profit/(losses) before income tax		**65,441**	70,127
Less: Income tax expenses		**1,503**	–2,067

Item	Notes	Amount for the current period	Amount for the prior period
IV. Net profit/(losses) for the year		**63,938**	72,194
(1) Classification according to operation continuity			
Including: Net profit/(losses) from continuing operations		**63,938**	72,194
Net profit/(losses) from discontinued operations			
(2) Classification according to ownership			
Including: Shareholders of the company		**63,938**	72,194
Non-controlling interests			
V. Other comprehensive income, net of tax		**219**	–22
Other comprehensive income/(losses) (net of tax) attributable to shareholders of the company		**219**	–22
(1) Other comprehensive income that will not be reclassified to profit or loss		**219**	–22
a. Remeasurement gains or losses of a defined benefit plan		**219**	–22
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			
Other comprehensive income/(losses) (net of tax) attributable to non-controlling interests			
VI. Total comprehensive income		**64,157**	72,172
Attributable to: Total comprehensive income attributable to owners of the parent		**64,376**	
Total comprehensive income attributable to non-controlling interests			
VII. Earnings per share			
(1) Basic earnings per share			
(2) Diluted earnings per share			

Legal Representative: Li Yihua　　Chief Financial Officer: Tao Fulun　　Head of Accounting Department: Chang Zhangpei

CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2026

Prepared by: China Aluminum International Engineering Corporation Limited Expressed in thousands of RMB

Item	Notes	Amount for the current period	Amount for the prior period
I. Cash flows from operating activities			
Proceeds from sales of goods or rendering of services		9,637,857	9,882,010
Refund of taxes		99,632	10,833
Proceeds from other operating activities	5.62	90,216	193,652
Sub-total of cash inflows		9,827,705	10,086,495
Payment for goods and services		7,611,347	8,769,511
Payment to and for employees		1,145,693	1,065,659
Payments of various taxes		404,939	271,464
Payment for other operating activities	5.62	377,280	179,161
Sub-total of cash outflows		9,539,259	10,285,795
Net cash flows from operating activities	5.63	288,446	–199,300
II. Cash flows from investing activities			
Proceeds from disposal of investments			
Investment income received			
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		11,816	7,889
Net proceeds from disposal of subsidiaries and other business units			3,624
Proceeds from other investing activities			
Sub-total of cash inflows		11,816	11,513
Payment for acquisition of fixed assets, intangible assets and other long-term assets		123,696	77,373
Payment for acquisition of investments			
Net payment for acquisition of subsidiaries and other business units			
Payment for other investing activities	5.62		
Sub-total of cash outflows		123,696	77,373
Net cash flows from investing activities		–111,880	–65,860

Item	Notes	**Amount for the current period**	Amount for the prior period
III. Cash flows from financing activities			
Proceeds from investors			4,560
Including: Proceeds from non-controlling shareholders of subsidiaries			
Proceeds from borrowings		**2,235,094**	2,119,290
Proceeds from other financing activities	5.62		
Sub-total of cash inflows		**2,235,094**	2,123,850
Repayments of borrowings		**2,687,250**	2,352,229
Payment for dividends, profit distributions or interest		**113,448**	149,832
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries			
Repayments of perpetual bonds			
Payment for other financing activities	5.62	**24,490**	9,654
Sub-total of cash outflows		**2,825,188**	2,511,715
Net cash flows from financing activities		**–590,094**	–387,865
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**–26,339**	13,816
V. Net increase/(decrease) in cash and cash equivalents	5.63	**–439,867**	–639,209
Add: Cash and cash equivalents at the beginning of the year	5.63	**3,244,043**	3,166,948
VI. Cash and cash equivalent at the end of the period	5.63	**2,804,176**	2,527,739

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

STATEMENT OF CASH FLOW OF THE PARENT

For the six months ended 30 June 2026

Prepared by: China Aluminum International Engineering Corporation Limited Expressed in thousands of RMB

Item	Amount for the current period	Amount for the prior period
I. Cash flows from operating activities		
Proceeds from sales of goods or rendering of services	**510,033**	555,245
Refund of taxes		1,773
Proceeds from other operating activities	**253,830**	280,793
Sub-total of cash inflows	**763,863**	837,811
Payment for goods and services	**444,676**	632,187
Payment to and for employees	**159,694**	134,388
Payments of various taxes	**24,569**	20,641
Payment for other operating activities	**52,588**	233,016
Sub-total of cash outflows	**681,527**	1,020,232
Net cash flows from operating activities	**82,336**	–182,421
II. Cash flows from investing activities		
Proceeds from disposal of investments	**667,517**	888,919
Investment income received	**27,548**	98,572
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	**36**	
Net proceeds from disposal of subsidiaries and other business units		
Proceeds from other investing activities		371,026
Sub-total of cash inflows	**695,101**	1,358,517
Payment for acquisition of fixed assets, intangible assets and other long-term assets	**1,327**	12
Payment for acquisition of investments	**127,097**	826,370
Net payment for acquisition of subsidiaries and other business units		72
Payment for other investing activities		186,972
Sub-total of cash outflows	**128,424**	1,013,426
Net cash flows from investing activities	**566,677**	345,091

SECTION X FINANCIAL REPORT

Item	Amount for the current period	Amount for the prior period
III. Cash flows from financing activities		
Proceeds from investors		4,560
Including: Proceeds from non-controlling shareholders of subsidiaries		
Proceeds from borrowings		1,860,000
Proceeds from other financing activities	**26,176**	10,661,177
Sub-total of cash inflows	**26,176**	12,525,737
Repayments of borrowings	**1,433,500**	2,112,929
Payment for dividends, profit distributions or interest	**56,654**	107,120
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		
Repayments of perpetual bonds		
Payment for other financing activities	**24,421**	11,134,947
Sub-total of cash outflows	**1,514,575**	13,354,996
Net cash flows from financing activities	**–1,488,399**	–829,259
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**–11,535**	5,075
V. Net increase/(decrease) in cash and cash equivalents	**–850,921**	–661,514
Add: Cash and cash equivalents at the beginning of the year	**2,185,440**	1,923,180
VI. Cash and cash equivalent at the end of the period	**1,334,519**	1,261,666

Legal Representative: Li Yihua　　Chief Financial Officer: Tao Fulun　　Head of Accounting Department: Chang Zhangpei

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2026

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

	Amount for the current period											
	Equity attributable to owners of the parent											
		Other equity instruments										
Item	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained Earnings	Non-controlling interests	Total shareholders' equity
I. Balance at the end of previous year	2,987,836		3,800,000		1,431,418	68,003	114,026	320,853	229,735	-2,019,898	2,345,174	9,141,141
Add: Changes in accounting policies												
Correction of prior period errors												
Business combination under common control												
Others												
II. Balance at the beginning of the year	2,987,836		3,800,000		1,431,418	68,003	114,026	320,853	229,735	-2,019,898	2,345,174	9,141,141
III. Changes in equity during the period ("– " for decrease)					9,545		29,983	19,536		50,530	-21,843	87,751
(I) Total comprehensive income							17,100			107,086	38,524	162,710
(II) Shareholders' contributions and decrease of capital					9,545						-95	9,450
1. Contribution by ordinary shareholders												
2. Contribution by other equity instrument investors												9,721
3. Amounts of share-based payments recognized in equity					9,721						-95	-271
4. Others					-176					-43,673	-79,228	-122,901
(III) Profit distribution												
1. Appropriation to surplus reserves											-79,228	-79,228
2. Distribution to shareholders												
3. Others							12,883			-43,673		-43,673
(IV)Transfer within equity										-12,883	14,168	14,168
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							12,883			-12,883	14,168	14,168
(V) Special Reserve								19,536			4,788	24,324
1. Appropriation during the period								117,914			26,097	144,011
2. Utilisation during the period								-98,378			-21,309	-119,687
(VI)Others												
IV. Balance at the end of the period	2,987,836		3,800,000		1,440,963	68,003	144,009	340,389	229,735	-1,969,368	2,323,331	9,228,892

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

Item	Amount for the prior period											
	Equity attributable to owners of the parent											
		Other equity instruments										
	Share capital	Preference shares	Perpetual debts	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained Earnings	Non-controlling interests	Total shareholders' equity
I. Balance at the end of previous year	2,985,836		3,764,520		1,424,263	63,443	102,452	267,716	229,735	-2,128,670	2,262,656	8,845,065
Add: Changes in accounting policies												
Correction of prior period errors												
Business combination under common control												
Others												
II. Balance at the beginning of the year	2,985,836		3,764,520		1,424,263	63,443	102,452	267,716	229,735	-2,128,670	2,262,656	8,845,065
III. Changes in equity during the period ("– " for decrease)	2,000				11,841	4,560	-13,725	59,327		26,932	12,674	94,489
(I) Total comprehensive income							-13,725			102,589	64,773	153,637
(II) Shareholders' contributions and decrease of capital	2,000				11,841	4,560					-135	9,146
1. Contribution by ordinary shareholders	2,000				2,560							4,560
2. Contribution by other equity instrument investors												
3. Amounts of share-based payments recognized in equity					9,531							9,531
4. Others					-250	4,560					-135	-4,945
(III) Profit distribution										-75,657	-57,191	-132,848
1. Appropriation to surplus reserves												
2. Distribution to shareholders												
3. Others											-57,191	-57,191
(IV)Transfer within equity										-75,657		-75,657
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								59,327			5,227	64,554
1. Appropriation during the period								146,084			20,837	166,921
2. Utilisation during the period								-86,757			-15,610	-102,367
(VI)Others												
IV. Balance at the end of the period	2,987,836		3,764,520		1,436,104	68,003	88,727	327,043	229,735	-2,101,738	2,275,330	8,939,554

Legal Representative: Li Yihua Chief Financial Officer: Tao Fulun Head of Accounting Department: Chang Zhangpei

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT

For the six months ended 30 June 2026

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Amount for the current period										
		Other equity instruments									
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained Earnings	Total shareholders' equity
I. Balance at the end of previous year	2,987,836		3,800,000		1,166,396	68,003	12,805	118	229,735	−475,079	7,653,808
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	2,987,836		3,800,000		1,166,396	68,003	12,805	118	229,735	−475,079	7,653,808
III. Changes in equity during the period("−" for decrease)					9,721		219			20,265	30,205
(I) Total comprehensive income							219			63,938	64,157
(II) Shareholders' contributions and decrease of capital					9,721						9,721
1. Contribution by ordinary shareholders											
2. Contribution by other equity instrument investors											
3. Amounts of share-based payments recognized in equity					9,721						9,721
4. Others											
(III) Profit distribution										−43,673	−43,673
1. Appropriation to surplus reserves											
2. Distribution to shareholders											
3. Others											
(IV) Transfer within equity										−43,673	−43,673
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											
2. Utilisation during the period											
(VI) Others											
IV. Balance at the end of the period	2,987,836		3,800,000		1,176,117	68,003	13,024	118	229,735	−454,814	7,684,013

Legal Representative: Li Yihua   Chief Financial Officer: Tao Fulun   Head of Accounting Department: Chang Zhangpei

Item	Amount for the prior period										
		Other equity instruments									
	Share capital	Preference shares	Perpetual debts	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained Earnings	Total shareholders' equity
I. Balance at the end of previous year	2,985,836		3,764,520		1,158,387	63,443	12,368	45	229,735	−390,944	7,696,504
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	2,985,836		3,764,520		1,158,387	63,443	12,368	45	229,735	−390,944	7,696,504
III. Changes in equity during the period("−" for decrease)	2,000				12,091	4,560	−22	74		−3,463	6,120
(I) Total comprehensive income							−22			72,194	72,172
(II) Shareholders' contributions and decrease of capital	2,000				12,091	4,560					9,531
1. Contribution by ordinary shareholders	2,000				2,560						4,560
2. Contribution by other equity instrument investors											
3. Amounts of share-based payments recognized in equity					9,531						9,531
4. Others						4,560					
(III) Profit distribution											−4,560
1. Appropriation to surplus reserves										−75,657	−75,657
2. Distribution to shareholders											
3. Others										−75,657	−75,657
(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								74			74
1. Appropriation during the period								133			133
2. Utilisation during the period								−59			−59
(VI) Others											
IV. Balance at the end of the period	2,987,836		3,764,520		1,170,478	68,003	12,346	119	229,735	−394,407	7,702,624

Legal Representative: Li Yihua Chief Financial Officer: Tao Fulun Head of Accounting Department: Chang Zhangpei

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.

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. In June 2025, Chalieco completed the registration procedures for the reserved shares under the 2023 Restricted Stock Incentive Plan. Following the completion of the additional issuance of the reserved restricted stocks, the Company's share capital structure is as follows: Chinalco holds 2,176,758,534 shares(72.85%); Luoyang Institute holds 86,925,466 shares(2.91%); Overseas-listed H-share shareholders hold 399,476,000 shares(13.37%); Domestically listed domestic shareholders with unrestricted shares (excluding Chinalco and Luoyang Institute) hold 295,906,667 shares(9.90%); Domestically listed domestic shareholders with restricted shares (excluding Chinalco and Luoyang Institute) hold 28,769,600 shares,(0.97%). Upon the completion of the aforementioned share issuance, the registered capital of the Company was changed to RMB298,783,627.00.

The Company's 5th Meeting of the 5th Board of Directors held on March 27, 2026 reviewed and approved the Proposal on Repurchasing and Canceling Part of Restricted Shares Granted to Incentive Recipients but Not Yet Vested. On 6 August 2026, the Company repurchased and canceled 918,300 restricted shares granted to 13 incentive recipients that had not yet been vested. The registered capital of the Company after such change stood at RMB2,986,917,967.

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 and equipment manufacturing.

The ultimate controller of Chalieco is Aluminum Corporation of China.

The financial statements and notes have been approved by resolution of the 5th meeting of the 5th Board of Directors of the Company on 13 June 2026.

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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

3.1 Statement of compliance with the Accounting Standards for Business Enterprises

These financial statements are prepared in accordance with the requirements of the Accounting Standards for Business Enterprises, and fairly present, in all material respects, the consolidated and company financial position of the Company as of 30 June 2026, as well as its consolidated and company operating results and consolidated and company cash flows for the six months ended 30 June 2026.

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.

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 10 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 payables with aging more than 1 year	More than 10 million RMB
Material litigation	More than 50 million RMB

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 consideration for business combination and the carrying amount of the net assets acquired in the combination shall be adjusted against capital reserves. If capital reserves are insufficient to absorb such difference, retained earnings shall be adjusted accordingly.

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 combining party before obtaining control of the acquiree, relevant profits or losses, other comprehensive income, and other changes in owners' equity recognized from the later of the date of acquisition of the original equity interest and the date when both the combining party and the acquiree came under common control of the same ultimate controlling party, up to the combination date, shall be offset against the opening retained earnings of the comparative reporting period or the profit or loss of the current period, respectively.

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 under non-common control, the combination cost is the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control over the acquiree on the acquisition date. On the acquisition date, the identifiable assets acquired, liabilities assumed and contingent liabilities of the acquiree are recognized at their fair values.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized 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 recognized 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.

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. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.7 Criteria for Determining Control and Preparation Methods of 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.

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.

For subsidiaries and businesses acquired during the reporting period through business combinations under common control, they are deemed to have been included in the Company's consolidation scope since the date when both parties came under common control of the ultimate controlling party. Their operating results and cash flows from that date are included in the consolidated income statement and consolidated cash flow statement, respectively.

For subsidiaries and businesses acquired during the reporting period through business combinations not under common control, their revenues, expenses and profits from the acquisition date to the end of the reporting period are included in the consolidated income statement, and their cash flows are included in the consolidated cash flow statement.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.7 Criteria for Determining Control and Preparation Methods of Consolidated Financial Statements (Continued)

3.7.2 Basis of preparation of consolidated financial statements (Continued)

Portions of shareholders' equity of subsidiaries not attributable to the Company are presented separately as non-controlling interests under shareholders' equity in the consolidated balance sheet. The portion of net profit or loss of subsidiaries for the current period attributable to non-controlling interests is presented under the net profit item in the consolidated income statement as 'profit or loss attributable to non-controlling interests'. Where losses incurred by a subsidiary and allocated to non-controlling interests exceed the non-controlling interests' share of the subsidiary owners' equity at the beginning of the period, the excess amount is still charged against non-controlling interests.

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 recognized 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.

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.

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. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

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 recognized 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 recognized in profit or loss or other comprehensive income for the period based on the nature of the non-monetary items.

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.

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 derecognized:

① The contractual rights to receive the cash flows from the financial asset has terminated; or

② 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 derecognized 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 derecognized and the new financial liabilities shall be recognized.

Conventionally traded financial assets shall be recognized and derecognized at the trading date.

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.

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.

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 recognized 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.

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.

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 recognized.

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 recognized in profit or loss for the current period.

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.

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.

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)

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.

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).

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 supportable information such as past events, current conditions and forecasts of future economic conditions, and recognizes expected credit losses as the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the expected cash flows 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.

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 (if the expected life of the financial instrument is less than 12 months, the expected life shall be used instead) 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.

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.

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. For other receivables grouped by aging, the aging period is calculated from the date of recognition.

Long-term receivables

The Company' s long-term receivables include receivables for quality guarantees, receivables for construction projects, and other similar items.

The Company classifies receivables for quality guarantees and project receivables into several portfolios based on their credit risk characteristics, and measures expected credit losses on a portfolio basis. The bases for determining the portfolios are as follows:

- Long-term receivables group: aging group

For quality guarantee receivables and project receivables, the Company calculates expected credit losses based on default risk exposure and the lifetime expected credit loss rate by reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions.

For other receivables and long-term receivables that are grouped into portfolios, excluding quality guarantee receivables and project receivables, expected credit losses are calculated based on default risk exposure and the 12-month or lifetime expected credit loss rate.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

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;
- The debtor breaches the contract, such as defaulting or being overdue in the 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.

Presentation of ECLs

To reflect changes in the credit risk of financial instruments since initial recognition, the Company remeasures expected credit losses at each balance sheet date. The resulting increase or reversal in the loss allowance is recognized in profit or loss for the current period as an impairment loss or gain. 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

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.

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 derecognized. If the Company retains substantially all the risks and rewards of ownership of a financial asset, the financial asset shall not be derecognized.

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 recognized according to the extent of its continuing involvement in the transferred financial asset and the relevant liability is recognized accordingly.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.7 Offset of financial assets and financial liabilities

If the Company owns the legitimate rights of offsetting the recognized 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.

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.

For non-financial assets measured at fair value, consideration is given to the ability of market participants to generate economic benefits by using the asset in its highest and best use, or by selling the asset to other market participants that would use it in its highest and 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.

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 Valuation method for issued inventories

Inventories are initially measured at cost. Raw materials and finished goods are calculated using weighted average method.

3.13.3 Basis and method for recognizing inventory impairment provisions

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. An impairment provision is recognized when the net realizable value is lower than the cost.

Net realizable value is the estimated selling price of inventories less the estimated costs to complete the inventories, estimated selling expenses and relevant taxes and duties. In determining the net realizable value of inventories, the Company takes into account reliable evidence, the purpose of holding inventories and the impact of events occurring after the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.13 Inventories (Continued)

3.13.3 Basis and method for recognizing inventory impairment provisions (Continued)

The Company generally makes inventory impairment provisions on an individual item basis. For inventories with large quantities and low unit prices, inventory impairment provisions are made by category of inventories.

At the balance sheet date, if the factors that caused the inventory impairment no longer exist, the inventory impairment provision is reversed within the amount originally recognized.

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

The Company adopts the one-off write-off method to amortize low-value consumables upon issuance.

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 forming a business combination: For long-term equity investments obtained through a business combination under common control, the investment cost is measured on the combination date based on the Company's share of the carrying amount of the acquiree owners' equity in the consolidated financial statements of the ultimate controlling party. For long-term equity investments obtained through a business combination not under common control, the investment cost is measured at the combination cost.

For long-term equity investments obtained through other means: Long-term equity investments acquired by cash payment are measured at the actually paid purchase price as the initial investment cost. Long-term equity investments acquired by issuing equity securities are measured at the fair value of the issued equity securities as the initial investment cost.

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

Investments in subsidiaries are accounted for using the cost method, unless the investments meet the criteria to be classified as held for sale. Investments in associates and joint ventures are accounted for using the equity method.

For long-term equity investments accounted for using the cost method, cash dividends or profits declared by the investee for distribution are recognized as investment income and included in profit or loss for the current period, except for cash dividends or profits that have been declared but not yet distributed and are included in the purchase price or consideration actually paid at the time of acquisition.

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 recognized 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). When recognizing the share of net profit or loss attributable to the investee, adjustments are made to the investee's net profit based on the fair value of the investee's identifiable assets at the time of acquisition and in accordance with the Company's accounting policies and accounting periods.

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 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.

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 recognized 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.

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)

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 recognized 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.

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 recognized 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.14 Long-term equity investments (Continued)

3.14.3 Basis for determining the common control and significant influence on the investee (Continued)

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 decisionmaking of the investee and can impose significant influence in this situation.

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. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

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 investment properties measured subsequent to initial recognition using the cost model, the method for recognizing asset impairment is set out in the 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 recognized 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 recognized 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.

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 derecognized.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.16 Fixed assets (Continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.16 Fixed assets (Continued)

3.16.5 Disposal of fixed assets

A fixed asset is derecognized 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 recognized in profit or loss for the current period.

3.17 Construction in progress

The Company' s construction in progress includes self-constructed projects and contracted-out projects. The cost of construction in progress is determined based on actual project expenditures, including various necessary project expenses incurred during the construction period, borrowing costs eligible for capitalization before the project reaches its intended usable state, and other relevant expenses.

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.

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 recognized 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. Borrowing costs incurred after qualifying assets reach their intended usable or salable state are recognized as expenses in the period incurred based on the amount incurred and included in 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.

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

The amount of interest actually incurred on specific borrowings during the period, less interest income earned from depositing unused borrowed funds in banks or investment income from temporary investment of such funds, is capitalized. For general borrowings, the capitalized amount is determined based on the weighted average of excess asset expenditures over the specific borrowings multiplied by the capitalization rate applicable to the general borrowings. The capitalization rate is calculated based on the weighted average interest rate of the general 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 land use rights, patent rights, software, franchise rights, copyrights, 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.19 Intangible assets (Continued)

3.19.2 Basis for determining an indefinite service life

The Company classifies intangible assets for which the period over which economic benefits will be generated to the Company is unforeseeable or whose useful life is indefinite as intangible assets with indefinite useful lives. The basis for determining an indefinite useful life is as follows: the intangible asset arises from contractual or other legal rights, but no definite useful life is specified in the contract or by law; and it remains impossible to determine the period over which the intangible asset will generate economic benefits to the Company based on industry conditions, relevant expert opinions, and other factors.

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.

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 recognized as an expense in the period in which it is incurred.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.20 Research and development expenditure (Continued)

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.

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.

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 recognized for goodwill.

An impairment loss recognized shall not be reversed in a subsequent period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.22 Long-term deferred expenses

The long-term prepaid expenses incurred by the Company shall be recognized 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.

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 recognized 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.23 Employee benefits (Continued)

3.23.3 Post-employment benefits (Continued)

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 recognized as a liability and included in the profit or loss for the current period or the cost of relevant assets.

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.

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 recognized 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.

3.24 Provisions

Obligations pertinent to the contingencies which satisfy the following conditions are recognized by the Company as provisions:

(1) the obligation is a present 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.24 Provisions (Continued)

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 recognized provisions are expected to be borne by the third party, the compensation amount shall, on a recoverable basis, be recognized as asset separately, and compensation amount recognized shall not be more than the carrying amount of provisions.

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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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 modifies the terms and conditions of the share-based payment plan in other ways unfavorable to the employees, the Company shall continue to account for the services received as if the change had never occurred, unless the Company cancels part or all of the granted equity instruments.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.26 Other financial instruments such as preferred shares and perpetual bonds

3.26.1 Classification of financial liabilities and equity instruments

Based on the contractual terms of the issued financial instruments and their reflected economic substance, not merely legal form, and in conjunction with the definitions of financial assets, financial liabilities and equity instruments, the Company classifies such financial instruments or their components as financial assets, financial liabilities or equity instruments upon initial recognition.

3.26.2 Accounting treatment of perpetual bonds

Financial instruments issued by the Company are initially recognized 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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 recognized at the amount of costs incurred until the progress of performance can be reasonably determined.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.27 Revenue (Continued)

3.27.2 Specific methods

The Company's revenue is mainly derived from the following business types: providing engineering project construction services, providing design services, and selling equipment, etc.:

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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 recognized for contract acquisition costs and assets recognized for contract fulfilment costs (collectively referred to as "assets related to contract costs") are amortised on the same basis as the recognition of revenue from the related goods or services and recognized in profit or loss for the current period. If the amortisation period does not exceed one year, the relevant amounts are recognized in profit or loss when incurred.

When the carrying amount of assets related to contract costs exceeds the difference between the following two items, the Company recognises an impairment provision for the excess amount and recognises it as an asset impairment loss:

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 recognized 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 recognized 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.29 Government grants

A government grant is recognized 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 recognized 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 recognized as deferred income, and offset against related expenses over the periods in which the related costs, expenses or losses are recognized. 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 recognized in other gains or used to offset related costs relying on the essence of economic business; otherwise, recognized in non-operating income.

For the repayment of a government grant already recognized, 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 recognized in profit or loss for the current period; otherwise, the repayment shall be recognized immediately in profit or loss for the current period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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 recognized in owners' equity which are recognized 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 recognized as deferred income tax using the balance sheet liability method.

All the taxable temporary differences are recognized 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(except for single transactions that give rise to equal taxable temporary differences and deductible temporary differences upon initial recognition of assets and liabilities);

(2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred income tax asset is recognized 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.31 Leases (Continued)

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.

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 recognized in profit or loss for the current period. Variable lease payments not included in the measurement of lease liabilities are recognized 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.31 Leases (Continued)

3.31.2 The Company as lessee (Continued)

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 recognized 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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 recognized 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 recognized 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 recognized in profit or loss in the period in which they actually incurred.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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 depreciates assets using the straight-line method. Where it is not reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term, depreciation is recognized over the shorter of the lease term and the remaining useful life of the leased assets.

3.32.3 Methods of impairment testing and provision for impairment for right-of-use assets are set out in Note 3. 21.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.33 Production safety expenses and simple maintenance fees

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 recognized 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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 it carrying amount is recorded in profit of 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (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 provides engineering construction services to external parties. Since the customer controls the engineering projects under construction, the Company recognises revenue based on the progress of performance obligations. The progress of performance is measured based on the costs or inputs incurred by the Company to satisfy the performance obligations, calculated as the proportion of costs incurred for each contract at the balance sheet date to the budgeted costs.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.37 Significant accounting policies and estimates (Continued)

(1) Revenue recognition on engineering construction contract (Continued)

The Company expects that the period from performance under engineering contracts to final payment by customers will not exceed one year. Therefore, the Company has not adjusted the transaction price for the time value of money.

In accordance with contractual terms, the contract amount will be adjusted by the customer based on the final acceptance results. The Company determines the transaction price after adjusting the contract amount based on historical experience.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.37 Significant accounting policies and estimates (Continued)

(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.

3.38 Changes in significant accounting policies and accounting estimates

3.38.1 Significant changes in accounting policies

None.

3.38.2 Changes in significant accounting estimates

None.

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 Note4. 2)

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
China Nonferrous Metals Processing Technology Co., Ltd.	15.00
Luoyang Foyang Decoration Engineering Co., Ltd.	15.00
China Nonferrous 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

4. TAXATION (Continued)

4.1 Major types of taxes and respective tax rates (Continued)

Name of taxpayer	Income tax rate %
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	15.00
Tianjin No.12 Metallurgical Engineering 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 Nonferrous Metals Industry Co., Ltd.	15.00
Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	15.00
Beijing Autosky Science & Technology Co., Ltd.	20.00
Shenyang Shengxin Construction Engineering Project Management Co., Ltd.	20.00
Huachu Intelligent Technology (Hunan) 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 and Supervision Co., Ltd.	20.00

Overseas taxpayers of the Company and their applicable income tax rates are set out below:

Name of taxpayer	Income tax rate %
China Nonferrous 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 Nonferrous 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. TAXATION (Continued)

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 28 October 2025 (Certificate number: GR202511002859, 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 2026.

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 2026.

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 2026.

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 2026.

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 2 December 2025 (Certificate number: GR202552000087, 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 2026.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

4.2.1 Tax preferences applicable to high-tech companies (Continued)

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 2026.

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 2026.

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 2026.

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 2026.

10) China Nonferrous 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 2026.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

4.2.1 Tax preferences applicable to high-tech companies (Continued)

11) 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 2026.

12) China Nonferrous 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 2026.

13) 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 2026.

14) China Sixth Metallurgical Construction Co., Ltd. of China Nonferrous Metals Industry received the High-tech Enterprise Certificate on 4 November 2025 (Certificate number: GR202541002336, 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 2026.

15) 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 2026.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

4.2.1 Tax preferences applicable to high-tech companies (Continued)

16) China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. received the High-tech Enterprise Certificate on 8 December 2025 (Certificate number: GR202514000730, 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 2026.

17) China Aluminum International (Tianjin) Construction Co., Ltd. received the High-tech Enterprise Certificate on 8 December 2025 (Certificate number: GR202512001961, 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 2026.

18) Jiuye Construction Co.,Ltd. received the High-tech Enterprise Certificate on 19 December 2025 (Certificate number: GR202561000919, 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 2026.

19) Jiuye Steel Structure Co., Ltd. received the High-tech Enterprise Certificate on 19 December 2025 (Certificate number: GR202561001399, 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 2026.

20) 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 2026.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

4.2.1 Tax preferences applicable to high-tech companies (Continued)

21) 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 2026.

22) Kunming Prospecting Design Institute Of China Nonferrous 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 2026.

23) Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd. received the High-tech Enterprise Certificate on 2 December 2025 (Certificate number: GR202553000291, 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 2026.

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., Huachu Intelligent Technology (Hunan) Co., Ltd., Hunan Changye Construction Drawing Examination Co., Ltd., Luoyang Jincheng Construction Supervision Co., Ltd., Hunan Huachu Project Management 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 FY2026.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

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 Nonferrous Metals Processing Technology Co., Ltd. is exempted from value-added tax.

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 Al-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.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

4.2.3 VAT (Continued)

5) China Nonferrous 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 Nonferrous 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.

4.3 Overseas Tax Incentive Policies

As the exclusive subcontractor of Rio Tinto's Simandou Iron Ore Project, Chalieco Guinea Co., Ltd. enjoys the tax incentives set forth in the Agreement on the Cooperative Development of Simandou Port and Railway Infrastructure signed between Rio Tinto and the Government of the Republic of Guinea: Chalieco Guinea Co., Ltd., its suppliers and service providers shall be exempt from value-added tax (VAT); Chalieco Guinea Co., Ltd. shall be entitled to a preferential corporate income tax rate of 15%.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 Cash and cash equivalents

Item	30 June 2026 (Unaudited)	31 December 2025
Cash on hand	**1,360**	232
Cash at banks	**1,666,550**	1,308,336
Deposits in Chinalco Finance	**1,136,266**	1,935,475
Other monetary funds	**758,816**	1,018,760
Total	**3,562,992**	4,262,803
Including: Total overseas deposits	**559,286**	442,342

Note:

As at 30 June 2026, cash and cash equivalents included restricted cash of RMB758,816 thousand, including deposits at banks secured for bank guarantees and acceptance bills and frozen deposits.

Details of restricted cash are set out below:

Item	30 June 2026 (Unaudited)	31 December 2025
Frozen Deposits	**437,782**	561,163
Bank's Acceptance Bill Deposit	**141,146**	234,029
Letter of Guarantee Deposit	**163,327**	206,963
Letter of Credit Deposit	**898**	898
Other Deposit	**15,663**	15,707
Total	**758,816**	1,018,760

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.2 Bills receivable

Item	30 June 2026 (Unaudited)			31 December 2025		
	Gross carrying amount	Impairment of credit losses	Carrying amount	Gross carrying amount	Impairment of credit losses	Carrying amount
Bank acceptance bill	**193,558**	**–**	**193,558**	269,546	–	269,546

(1) Outstanding endorsed or discounted bills that have not matured as at 30 June 2026

Item	Amount not derecognized as at 30 June 2026
Bank acceptance bills	**156,993**

5.3 Accounts receivable

(1) An aging analysis of accounts receivable is listed as follows:

Item	30 June 2026 (Unaudited)	31 December 2025
Within 1 year	**8,239,445**	7,246,119
1 to 2 years	**4,611,051**	4,462,667
2 to 3 years	**1,719,950**	1,812,783
3 to 4 years	**1,649,908**	1,658,560
4 to 5 years	**1,569,023**	1,553,746
More than 5 years	**2,815,252**	2,902,412
Subtotal	**20,604,629**	19,636,287
Less: Bad debt provision	**4,001,832**	4,007,745
Total	**16,602,797**	15,628,542

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

(2) Disclosure by Classification of Impairment Methods are listed as follows:

	30 June 2026 (Unaudited)				
	Gross carrying amount		Impairment of credit losses		Carrying amount
Item	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Impairment of credit losses on an individual basis	3,529,095	17.13	1,563,655	44.31	1,965,440
Impairment of credit losses on group basis	17,075,534	82.87	2,438,177	14.28	14,637,357
Including: Aging group	17,075,534	82.87	2,438,177	14.28	14,637,357
Total	20,604,629	100.00	4,001,832	19.42	16,602,797

	31 December 2025				
	Gross carrying amount		Impairment of credit losses		Carrying amount
Item	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Impairment of credit losses on an individual basis	3,610,441	18.39	1,572,984	43.57	2,037,457
Impairment of credit losses on group basis	16,025,846	81.61	2,434,761	15.19	13,591,085
Including: Aging group	16,025,846	81.61	2,434,761	15.19	13,591,085
Total	19,636,287	100.00	4,007,745	20.41	15,628,542

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

(3) Accounts receivable for which bad debt provision is made on an individual basis are listed follows:

	30 June 2026 (Unaudited)			
Entity	**Gross carrying amount**	**Impairment of credit losses**	**Expected credit loss rate (%)**	**Reasons**
Company 1	**460,053**	**276,032**	**60.00**	**Note**
Company 2	**309,517**	**134,355**	**43.41**	**Note**
Company 3	**290,700**	**85,460**	**29.40**	**Note**
Company 4	**286,115**	**42,917**	**15.00**	**Note**
Company 5	**274,236**	**17,522**	**6.39**	**Note**
Company 6	**185,704**	**37,141**	**20.00**	**Note**
Others	**1,722,770**	**970,228**	**56.32**	**Note**
Total	**3,529,095**	**1,563,655**	**44.31**	**–**

Note: The Company recognizes impairment of credit losses for all or a portion of the amounts in conjunction with their expected recoverability.

	31 December 2025			
Entity	Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)	Reasons
Company 1	475,877	285,526	60.00	Note
Company 2	297,227	134,355	45.20	Note
Company 3	290,700	85,460	29.40	Note
Company 4	286,115	22,155	7.74	Note
Company 5	274,236	17,522	6.39	Note
Company 6	206,317	41,263	20.00	Note
Others	1,779,969	986,703	55.43	Note
Total	3,610,441	1,572,984	43.57	–

Note: The Company recognizes impairment of credit losses for all or a portion of the amounts in conjunction with their expected recoverability.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

(4) Accounts receivable for which bad debt provision is made on collective basis are listed follows:

Aging Group for Collective Provision

	30 June 2026 (Unaudited)		
	Gross carrying amount		
Aging	**Amount**	**Impairment of credit losses**	**Expected credit loss rate (%)**
Within 1 year	**8,004,181**	**39,968**	**0.50**
1 to 2 years	**4,222,758**	**422,130**	**10.00**
2 to 3 years	**1,445,084**	**288,986**	**20.00**
3 to 4 years	**1,335,831**	**400,749**	**30.00**
4 to 5 years	**1,029,790**	**411,916**	**40.00**
More than 5 years	**1,037,890**	**874,428**	**84.25**
Total	**17,075,534**	**2,438,177**	**14.28**

	31 December 2025		
	Gross carrying amount		
Aging	Amount	Impairment of credit losses	Expected credit loss rate (%)
Within 1 year	7,012,342	35,061	0.50
1 to 2 years	4,171,777	417,178	10.00
2 to 3 years	1,334,960	266,992	20.00
3 to 4 years	1,420,119	426,036	30.00
4 to 5 years	1,064,057	425,623	40.00
More than 5 years	1,022,591	863,871	84.48
Total	16,025,846	2,434,761	15.19

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

(5) Movements in impairment of credit losses during the Period are listed as follows:

Item	1 January 2026	Movement: Accrued	Recover/ Reverse (decrease)	Written off (Decrease)	Effect of exchange rate changes	Others	30 June 2026 (Unaudited)
Individual basis	1,572,984	20,763	19,142	–	–10,913	–37	1,563,655
Group:	–	–	–	–	–	–	–
Aging group	2,434,761	4,255	–	–	–	–839	2,438,177
Total	4,007,745	25,018	19,142	–	–10,913	–876	4,001,832

(6) Significant bad debt provision recovered or reversed in the current period are as follows:

Entity	Reason for reversal	Recovery method	Original basis for determining bad debt provision	Amount received or recovered
Company 7	The debt was recovered	Bank transfer	Individual basis	7,360
Company 6	The debt was recovered, Payment made by the owner	Bank transfer, Payment made by the owner to supplier	Individual basis	4,123
Company 8	Tripartite Offset	Tripartite Offset	Individual basis	3,293
Company 9	The debt was recovered, Payment made by the owner	Bank transfer, Payment made by the owner to supplier	Individual basis	2,093
Company 10	The debt was recovered	Bank transfer	Individual basis	1,256
Total	–	–	–	18,125

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

(7) As at 30 June 2026, 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 11	579,076	2.81	50,663
Company 12	564,127	2.74	41,332
Company 1	504,642	2.45	280,491
Company 13	399,902	1.94	28,737
Company 2	381,014	1.85	149,732
Total	2,428,761	11.79	550,955

5.4 Financing receivables

Item	30 June 2026 (Unaudited)	31 December 2025
Bills receivable	**136,353**	171,098

(1) Bills receivable endorsed or discounted by the Company but not yet matured at the end of the period

Item	Amount derecognized as at 30 June 2026	Amount not derecognized as at 30 June 2026
Bank acceptance bills	602,555	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.5 Prepayments

(1) An aging analysis of prepayments is listed as follows:

	30 June 2026 (Unaudited)		31 December 2025	
Item	**Amount**	**Percentage (%)**	Amount	Percentage (%)
Within 1 year	**489,776**	**75.01**	553,226	88.41
1 to 2 years	**132,880**	**20.35**	53,040	8.48
2 to 3 years	**18,328**	**2.81**	14,027	2.24
More than 3 years	**11,932**	**1.83**	5,460	0.87
Total	**652,916**	**100.00**	625,753	100.00

(2) Significant prepayments with aging over one year are listed as follows:

Entity	**Amount**	**Percentage in total prepayments (%)**	**Impairment of credit losses**
Company 14	4,096	0.63	–
Company 15	3,317	0.51	–
Total	7,413	1.14	–

(3) As at 30 June 2026, prepayments to the five largest suppliers are listed as follows:

Entity	**Gross carrying amount as at 30 June 2026 (Unaudited)**	**Percentage of total prepayments (%)**
Company 16	80,271	12.29
Company 17	62,191	9.53
Company 18	62,070	9.51
Company 19	28,488	4.36
Company 20	18,180	2.78
Total	251,200	38.47

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables

Item	30 June 2026 (Unaudited)	31 December 2025
Interests receivable	**6,440**	6,440
Dividends receivable	**4,010**	3,752
Other receivables	**2,330,872**	2,283,060
Less: Impairment of credit losses	**1,429,701**	1,330,646
Total	**911,621**	962,606

(1) Interests receivable

Item	30 June 2026 (Unaudited)	31 December 2025
Interests receivable	**6,440**	6,440
Less: Impairment of credit losses	**–**	–
Total	**6,440**	6,440

(2) Dividends receivable

Item	30 June 2026 (Unaudited)	31 December 2025
Sichuan Chuannan Subway Operating Ltd.	**3,752**	3,752
Chinalco Intelligent (Hangzhou) Security Science Research Institute Ltd.	**258**	–
Subtotal:	**4,010**	3,752
Less: Impairment of credit losses	**–**	–
Total	**4,010**	3,752

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables

① An aging analysis of other receivables is listed as follows:

Item	30 June 2026 (Unaudited)	31 December 2025
Within 1 year	**424,329**	449,013
1 to 2 years	**191,056**	194,856
2 to 3 years	**140,785**	135,440
3 to 4 years	**212,635**	217,806
4 to 5 years	**336,688**	510,720
More than 5 years	**1,025,379**	775,225
Subtotal	**2,330,872**	2,283,060
Less: Impairment of credit losses	**1,429,701**	1,330,646
Total	**901,171**	952,414

② As at 30 June 2026, gross carrying amount of other receivables categorized by nature is listed as follows:

Item	30 June 2026 (Unaudited) Gross carrying amount	Impairment of credit losses	Carrying amount
Reimbursement	**1,087,500**	**770,290**	**317,210**
Retention funds or deposits	**853,046**	**452,127**	**400,919**
Financing provided to Party A and its related parties	**114,127**	**92,437**	**21,690**
Proceeds from disposal of land and properties	**59,869**	**11,331**	**48,538**
Equity transfer payment	**19,500**	**7,350**	**12,150**
Others	**196,830**	**96,166**	**100,664**
Total	**2,330,872**	**1,429,701**	**901,171**

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

② As at 30 June 2026, gross carrying amount of other receivables categorized by nature is listed as follows: (Continued)

	31 December 2025		
Item	Gross carrying amount	Impairment of credit losses	Carrying amount
Reimbursement	1,095,488	776,107	319,381
Retention funds or deposits	939,141	402,624	536,517
Financing provided to Party A and its related parties	118,627	92,437	26,190
Proceeds from disposal of land and properties	67,769	11,339	56,430
Equity transfer payment	19,500	7,350	12,150
Others	42,535	40,789	1,746
Total	2,283,060	1,330,646	952,414

③ Impairment of credit losses

Impairment of credit losses in the first stage as at 30 June 2026

Item	**Gross carrying amount**	**Expected credit loss rate over the next 12 months (%)**	**Impairment of credit losses**	**Carrying amount**
Bad debt provision on an individual basis	**–**	**–**	**–**	**–**
Bad debt provision on group basis	**335,559**	**0.50**	**1,671**	**333,888**
Aging group	**335,559**	**0.50**	**1,671**	**333,888**
Total	**335,559**	**0.50**	**1,671**	**333,888**

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the second stage as at 30 June 2026

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Bad debt provision on an individual basis	–	–	–	–
Bad debt provision on group basis	280,959	14.03	39,423	241,536
Aging group	280,959	14.03	39,423	241,536
Total	280,959	14.03	39,423	241,536

Impairment of credit losses in the third stage as at 30 June 2026

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	1,153,807	83.80	966,871	186,936
Shandong Homerum Tires Co., Ltd.	207,624	100.00	207,624	–
SHARY INTERNATIONAL LIMITED	207,229	100.00	207,229	–
Xinjiang Jiarun Resources Holding Co., Ltd	114,127	80.99	92,437	21,690
Suzhou Doyum Environmental Technology Co., Ltd.	92,948	55.22	51,330	41,618
Hanzhong Aviation Smart New City Investment Group Co., Ltd.	77,542	80.00	62,034	15,508
Others	454,337	76.20	346,217	108,120
Impairment of credit losses on group basis	560,547	75.24	421,736	138,811
Aging group	560,547	75.24	421,736	138,811
Total	1,714,354	81.00	1,388,607	325,747

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 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 2025

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	428,993	0.50	2,138	426,855
Aging group	428,993	0.50	2,138	426,855
Total	428,993	0.50	2,138	426,855

Impairment of credit losses in the second stage as at 31 December 2025

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	296,481	14.20	42,102	254,379
Aging group	296,481	14.20	42,102	254,379
Total	296,481	14.20	42,102	254,379

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 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 2025

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Bad debt provision	Carrying amount
Impairment of credit losses on an individual basis	885,853	90.67	803,170	82,683
Shandong Homerum Tires Co., Ltd.	207,724	100.00	207,724	–
SHARY INTERNATIONAL LIMITED	207,229	100.00	207,229	–
Xinjiang Jiarun Resources Holding Co., Ltd	118,627	77.92	92,437	26,190
D Group Limited	55,065	100.00	55,065	–
Zhongai Cultural Communication (Tianjin) Co., Ltd.	36,669	21.42	7,855	28,814
Others	260,539	89.38	232,860	27,679
Impairment of credit losses on group basis	671,733	71.94	483,236	188,497
Aging group	671,733	71.94	483,236	188,497
Total	1,557,586	82.59	1,286,406	271,180

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

④ Movements in the impairment of credit losses of other receivables for the current period 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 impairment of credit)	Stage III Lifetime expected credit losses (credit impaired)	Total
Balance as at 1 January 2026	2,138	42,102	1,286,406	1,330,646
Balance as at 1 January 2026 in the current period	–834	–26,586	27,420	–
– Transfer to Stage II	–834	834	–	–
– Transfer to Stage III	–	–27,420	27,420	–
Accrues	367	23,907	70,476	94,750
Recoveries or reversals	–	–	2,104	2,104
Other movements	–	–	6,409	6,409
Balance as at 30 June 2026 (Unaudited)	1,671	39,423	1,388,607	1,429,701

Significant impairment of credit losses recovered or reversed in the current period are as follows:

Entity	Recovery method	Amount reversed or recovered
Tianjin Yuanlong Chemical Industry Co., Ltd	Monetary Recovery	1,986
Total	–	1,986

⑤ Other receivables actually written off in the current period

None.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

⑥ As at 30 June 2026, 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
Shandong Homerun Tires Co., Ltd	Reimbursements	207,624	3 to 4 years, more than 5 years	8.90	207,624
SHARY INTERNATIONAL LIMITED	Reimbursements	207,229	3 to 4 years, more than 5 years	8.89	207,229
Shanghai Junzhi International Trade Co., Ltd	Retention funds or deposits	139,771	More than 5 years	6.00	139,771
Xinjiang Jiarun Resources Holding Co., Ltd	Financing provided to Party A and its related parties	114,127	More than 5 years	4.90	92,437
Suzhou Doyum Environmental Technology Co., Ltd	Other	92,948	4 to 5 years	3.99	51,330
Total	–	761,699	–	32.68	698,391

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.7 Inventories

(1) Classification of inventories

	30 June 2026 (Unaudited)		
Item	**Gross carrying amount**	**Impairment for provision of inventories**	**Carrying amount**
Raw materials	**244,954**	**9,490**	**235,464**
Work in progress	**994,396**	**189,728**	**804,668**
Stock goods	**1,783,911**	**634,790**	**1,149,121**
Turnover materials and spare parts	**9,137**	**–**	**9,137**
Others	**3,183**	**–**	**3,183**
Total	**3,035,581**	**834,008**	**2,201,573**

Note: As at 30 June 2026, the amount of property in inventories in the process of applying for and handling registration or transfer of the title certificates is RMB1,221,549 thousand.

	31 December 2025		
Item	Gross carrying amount	Impairment for provision of inventories	Carrying amount
Raw materials	229,670	9,490	220,180
Work in progress	1,002,061	189,728	812,333
Stock goods	1,691,293	629,945	1,061,348
Turnover materials and spare parts	13,543	–	13,543
Others	–	–	–
Total	2,936,567	829,163	2,107,404

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.7 Inventories (Continued)

(2) Provision for inventory write-down and impairment of contract performance costs are listed as follows:

Item	Opening balance	Additions Accrued	Additions Others	Decreases Reversed	Decreases Written-off	Decreases Others	Closing Balance (Unaudited)
Raw materials	9,490	–	–	–	–	–	9,490
Work in progress	189,728	–	–	–	–	–	189,728
Stock goods	629,945	4,845	–	–	–	–	634,790
Total	829,163	4,845	–	–	–	–	834,008

5.8 Contract assets

Item	30 June 2026 (Unaudited)	31 December 2025
Contract assets	**7,953,736**	8,013,605
Less: Impairment provision for contract assets	**1,381,209**	1,416,434
Total	**6,572,527**	6,597,171

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.8 Contract assets (Continued)

(1) Impairment provision for contract assets

	As at 30 June 2026 (Unaudited)				
	Gross carrying amount		Impairment provision		Carrying amount
Item	Amount	Percentage (%)	Amount	Expected credit losses rate (%)	
Impairment provision on an individual basis	1,179,186	14.83	527,669	44.75	651,517
Impairment provision on group basis	6,774,550	85.17	853,540	12.60	5,921,010
Including: Aging group	6,774,550	85.17	853,540	12.60	5,921,010
Total	7,953,736	100.00	1,381,209	17.37	6,572,527

	As at 31 December 2025				
	Gross carrying amount		Impairment provision		Carrying amount
Item	Amount	Percentage (%)	Amount	Expected credit losses rate (%)	
Impairment provision on an individual basis	1,169,137	14.59	528,252	45.18	640,885
Impairment provision on group basis	6,844,468	85.41	888,182	12.98	5,956,286
Including: Aging group	6,844,468	85.41	888,182	12.98	5,956,286
Total	8,013,605	100.00	1,416,434	17.68	6,597,171

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.8 Contract assets (Continued)

(1) Impairment provision for contract assets (Continued)

Impairment of credit losses on an individual basis

	As at 30 June 2026 (Unaudited)			
Item	Gross carrying amount	Impairment provision	Expected credit losses rate (%)	Reason
Item 1	168,772	151,895	90.00	Note
Item 2	160,268	160,268	100.00	Note
Item 3	109,310	83,671	76.54	Note
Item 4	29,660	29,660	100.00	Note
Item 5	23,133	7,537	32.58	Note
Others	688,043	94,638	13.75	Note
Total	1,179,186	527,669	44.75	–

Note: Impairment of assets were accrued in accordance with project execution and expected settlement.

	As at 31 December 2025			
Item	Gross carrying amount	Impairment provision	Expected credit losses rate (%)	Reason
Item 1	168,772	151,895	90.00	Note
Item 2	160,268	160,268	100.00	Note
Item 3	99,589	80,711	81.04	Note
Item 4	29,660	29,660	100.00	Note
Item 6	11,793	7,076	60.00	Note
Others	699,055	98,642	14.11	Note
Total	1,169,137	528,252	45.18	–

Note: Impairment of assets were accrued in accordance with project execution and expected settlement.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.8 Contract assets (Continued)

(1) Impairment provision for contract assets (Continued)

Impairment provision on a group basis

Aging group

	As at 30 June 2026 (Unaudited)		
Aging	**Contract assets**	**Impairment provision**	**Expected credit losses rate (%)**
Within 1 year	**4,221,897**	**21,110**	**0.50**
1 to 2 years	**831,002**	**83,100**	**10.00**
2 to 3 years	**742,338**	**148,435**	**20.00**
3 to 4 years	**263,272**	**78,982**	**30.00**
4 to 5 years	**257,974**	**103,189**	**40.00**
More than 5 years	**458,067**	**418,724**	**91.41**
Total	**6,774,550**	**853,540**	**12.86**

	As at 31 December 2025		
Item	Contract assets	Impairment provision	Expected credit losses rate (%)
Within 1 year	4,226,705	21,269	0.50
1 to 2 years	823,361	82,325	10.00
2 to 3 years	722,303	144,434	20.00
3 to 4 years	288,942	86,683	30.00
4 to 5 years	270,981	108,392	40.00
More than 5 years	512,176	445,079	86.90
Total	6,844,468	888,182	12.98

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.8 Contract assets (Continued)

(2) Movement in impairment provision on contract assets for the period are listed as follows:

Item	Opening balance	Movement				Closing balance (Unaudited)
		Accrued	Reverse	Written-off	Others (Decrease)	
Contract assets	1,416,434	–34,569	–	–	656	1,381,209
Total	1,416,434	–34,569	–	–	656	1,381,209

5.9 Non-current assets due within one year

(1) Allowance for bad debt for non-current assets due within one year:

Item	30 June 2026 (Unaudited)	31 December 2025
Long-term receivables due within 1 year	**382,937**	431,602
Less: Impairment of credit loss	**158,271**	160,205
Total	**224,666**	271,397

(2) Provision, recovery, or reversal of bad debt allowance during the period:

Item	Amount of bad debt allowance
Amount as 1 January 2026	160,205
Accrual during the period	–1,995
Transfer to Long-term Receivables	61
Amount as 31 December 2025	158,271

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.10 Other current assets

Item	30 June 2026 (Unaudited)	31 December 2025
Deductible VAT input	**661,505**	681,281
Prepaid tax	**292,768**	213,402
Others	**67,081**	21,589
Total	**1,021,354**	916,272

5.11 Long-term receivables

(1) Gross carrying amount of long-term receivables categorized by nature is listed as follows:

	30 June 2026 (Unaudited)			
Item	Gross carrying amount	Impairment of credit losses	Carrying amount	Discount rate range
Long-term receivables from customers	**2,291,154**	**902,275**	**1,388,879**	**Note**
Subtotal	**2,291,154**	**902,275**	**1,388,879**	**–**
Less: Current portion of long-term receivables due within one year	**382,937**	**158,271**	**224,666**	**Note**
Total	**1,908,217**	**744,004**	**1,164,213**	**–**

	31 December 2025			
Item	Gross carrying amount	Impairment of credit losses	Carrying amount	Discount rate range
Long-term receivables from customers	2,385,313	890,357	1,494,956	Note
Subtotal	2,385,313	890,357	1,494,956	–
Less: Current portion of long-term receivables due within one year	431,602	160,205	271,397	Note
Total	1,953,711	730,152	1,223,559	–

Note: Discount in accordance with contractual interest rate.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.11 Long-term receivables (Continued)

(2) Movements in impairment of credit losses made, recovered or reversed during the period are as follows:

Item	Impairment of credit losses
Amount as at 1 January 2026	730,152
Additions	13,915
Reverse	2
Transfer to non-current assets due within one year	61
Amount as at 30 June 2026 (Unaudited)	744,004

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.12 Long-term equity investments

(1) Classification of long-term equity investment

Item	1 January 2026	Additions for the period	Reductions for the period	30 June 2026 (Unaudited)
Investment in joint ventures	77,140	2,786	422	79,504
Investment in associates	585,367	–	21,535	563,832
Subtotal	662,507	2,786	21,957	643,336
Less: Impairment provision	36,216	–	–	36,216
Total	626,291	2,786	21,957	607,120

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.12 Long-term equity investments (Continued)

(2) Long-term equity investments breakdown

Investee	Investment cost	Opening balance	Movements during this period: Increase in investment	Decrease in investment	Investment gain or loss recognized under equity method	OCI	Other equity movements	Cash dividends or profits declared	Loss allowance	Others	Closing Balance	Closing balance of provision for impairment
① Joint venture	79,200	77,140	–	–	2,786	–	–422	–	–	–	79,504	–
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	40,000	8,719	–	–	–29	–	–	–	–	–	8,690	–
Zhongji Sunward Technology Co., Ltd.	39,200	68,421	–	–	2,815	–	–422	–	–	–	70,814	–
② Associates	724,451	585,367	–	–	–21,428	–	151	258	–	–	563,832	36,216
Zhuzhou Tianqiao Crane Co., Ltd.	171,836	174,832	–	–	669	–	–	–	–	–	175,501	–
Taikang Haowen construction Co., Ltd.	108,640	108,640	–	–	–	–	–	–	–	–	108,640	–
Loudi Haochuang development construction Co., Ltd.	100,000	100,000	–	–	–	–	–	–	–	–	100,000	–
Others	343,975	201,895	–	–	–22,097	–	151	258	–	–	179,691	36,216
Total	803,651	662,507	–	–	–18,642	–	–271	258	–	–	643,336	36,216

Note 1: Shanghai Fengtong Investment Management Partnership (Limited Partnership) change the company name to Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership).

Note 2: 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, ie, both parties need to unanimously agree in order to make such decisions, and thus the Company and Shanhe Equipment jointly control Zhongji Shanhe.

Note 3: Taikang Haowen construction Co., Ltd and Loudi Haochuang development construction Co., Ltd still in the stage of development.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.13 Other equity instrument investments

(1) Details of other equity instrument investments

Item	30 June 2026 (Unaudited)	31 December 2025
Yunnan Huineng Power Sales Co. Ltd.	**28,231**	27,584
Guizhou Aerospace Wujiang Electromechanical Equipment Co. Ltd.	**5,390**	5,390
Others	**7,720**	7,999
Total	**41,341**	40,973

(2) Investment in other equity instruments at the end of the period

Item	Gains/losses recognized in other comprehensive income in current period	Accumulated gains/losses recognized in other comprehensive income as of 30 June 2026	Dividend Income recognized during the current period	Accumulated gains/losses transferred to retained earnings beyond derecognition	Reason for derecognition
Guizhou Aerospace Wujiang Electromechanical Equipment Co. Ltd.	–	–4,582	–	–	–
Yunnan Huineng Power Sales Co. Ltd.	647	3,067	–	–	–
Others	–279	–43,850	–	–19,228	–
Total	368	–45,365	–	–19,228	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.14 Investment properties

Item		1 January 2026	Increase: Procurement	Increase: Transfer from own-occupied real estate or inventory	Increase: Others	Decrease: Disposal	Decrease: Transfer to own-occupied real estate	30 June 2026 (Unaudited)
I.	Original Cost	1,427,702	19	–	3,951	4,041	–	1,427,631
	1. Plant and buildings	1,245,351	19	–	3,951	4,041	–	1,245,280
	2. Land use rights	182,351	–	–	–	–	–	182,351
II.	Accumulated depreciation and amortization	258,490	17,882	–	–	96	–	276,276
	1. Plant and buildings	205,101	15,462	–	–	96	–	220,467
	2. Land use rights	53,389	2,420	–	–	–	–	55,809
III.	Gross carrying amount	1,169,212	–	–	–	–	–	1,151,355
	1. Plant and buildings	1,040,250	–	–	–	–	–	1,024,813
	2. Land use rights	128,962	–	–	–	–	–	126,542
IV.	Provision for impairment	6,946	–	–	–	–	–	6,946
	1. Plant and buildings	6,946	–	–	–	–	–	6,946
	2. Land use rights	–	–	–	–	–	–	–
V.	Carrying amount	1,162,266	–	–	–	–	–	1,144,409
	1. Plant and buildings	1,033,304	–	–	–	–	–	1,017,867
	2. Land use rights	128,962	–	–	–	–	–	126,542

Note: The amount of investment properties failured to get certificate of ownership amounts to RMB427,841 thousand.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.15 Fixed assets

Item	30 June 2026 (Unaudited)	31 December 2025
Fixed assets	**2,442,628**	2,551,833
Fixed assets to be disposed of	**–**	–
Total	**2,442,628**	2,551,833

(1) Fixed assets

① Fixed assets

Item	Buildings and Structures	Machinery and equipment	Motor vehicles	Office equipment and others	Total
I. Original Cost					
1. 1 January 2026	3,047,079	1,035,436	279,789	468,240	4,830,544
2. Increase	1,490	6,938	210	4,137	12,775
(1) Additions	1,490	6,938	210	2,324	10,962
(2) Others	–	–	–	1,813	1,813
3. Decrease	38,494	47,529	11,644	8,850	106,517
(1) Disposals or write-off	2,527	6,978	11,376	7,506	28,387
(2) Losses from consolidation	31,043	40,551	268	1,344	73,206
(3) Others	4,924	–	–	–	4,924
4. 30 June 2026 (Unaudited)	3,010,075	994,845	268,355	463,527	4,736,802
II. Accumulated depreciation:					
1. 1 January 2026	1,013,611	673,133	207,810	380,073	2,274,627
2. Increase	41,611	29,839	6,942	10,117	88,509
(1) Provision	41,611	29,839	6,942	10,117	88,509
3. Decrease	13,490	40,371	11,125	8,060	73,046
(1) Disposals or write-off	2,370	6,600	10,870	7,136	26,976
(2) Losses from consolidation	11,120	33,771	255	924	46,070
4. 30 June 2026 (Unaudited)	1,041,732	662,601	203,627	382,130	2,290,090

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.15 Fixed assets (Continued)

(1) Fixed assets (Continued)

① Fixed assets (Continued)

Item	Buildings and Structures	Machinery and equipment	Motor vehicles	Office equipment and others	Total
III. Provision for impairment					
1. 1 January 2026	3,431	9	128	516	4,084
2. Increase	–	–	–	–	–
3. Decrease	–	–	–	–	–
4. 30 June 2026 (Unaudited)	3,431	9	128	516	4,084
IV. Carrying amount					
1. 30 June 2026 (Unaudited)	1,964,912	332,235	64,600	80,881	2,442,628
2. 1 January 2026	2,030,037	362,294	71,851	87,651	2,551,833

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.15 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	489,925	Processing

5.16 Construction in progress

Item	30 June 2026 (Unaudited)	31 December 2025
Construction in progress	81,174	80,082
Construction materials	–	–
Total	81,174	80,082

(1) Construction in progress

① Details of construction in progress

	30 June 2026 (Unaudited)			31 December 2025		
Item	Carrying amount	Provision for impairment	Gross carrying amount	Carrying amount	Provision for impairment	Gross carrying amount
Yue Liang Wan health project	75,680	-	75,680	74,625	–	74,625
Others	6,373	879	5,494	6,336	879	5,457
Total	82,053	879	81,174	80,961	879	80,082

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.16 Construction in progress (Continued)

(1) Construction in progress (Continued)

② Movements of material construction in progress

Project	1 January 2026	Additions	Transferred out to fixed assets	Other decreases	Accumulated capitalized interest	Including: interest capitalized in the current period	30 June 2026 (Unaudited)
Yue Liang Wan health project	74,625	1,055	–	–	26,023	–	75,680
Others	6,336	37	–	–	–	–	6,373
Total	80,961	1,092	–	–	26,023	–	82,053

Project	Budget	Proportion of investment to budget %	Project progress	Sources of funding	Current interest capitalization rate %
Yue Liang Wan health project	498,000	93.91	93.91	Self-funding/loan	–
Others	–	–	–	–	–
Total	498,000	–	–	–	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.17 Right-of-use assets

Item	Buildings and Structures	Land use rights	Total
I. Original Cost:			
1. 1 January 2026	71,141	58	71,199
2. Increase	–	–	–
(1) Additions	–	–	–
3. Decrease	–	–	–
4. 30 June 2026 (Unaudited)	71,141	58	71,199
II. Accumulated depreciation			
1. 1 January 2025	36,360	22	36,382
2. Increase	8,486	14	8,500
(1) Provision	8,486	14	8,500
3. Decrease	–	–	–
4. 31 December 2025	44,846	36	44,882
III. Provision for impairment			
1. 1 January 2025	–	–	–
2. Increase	–	–	–
3. Decrease	–	–	–
4. 31 December 2025	–	–	–
IV. Carrying amount			
1. 30 June 2026 (Unaudited)	26,295	22	26,317
2. 1 January 2026	34,781	36	34,817

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.18 Intangible assets

(1) Intangible assets

Item	Land use right	Patent right	Software	Franchise right	Others	Total
I. Original Cost						
1. 1 January 2026	768,651	258,944	217,324	730,462	1,544	1,976,925
2. Increase	576	–	4,609	1,078	–	6,263
(1) Additions	576	–	4,609	–	–	5,185
(2) Others	–	–	–	1,078	–	1,078
3. Decrease	6,225	6,633	–	–	–	12,858
(1) Losses from consolidation	6,225	6,633	–	–	–	12,858
4. 30 June 2026 (Unaudited)	763,002	252,311	221,933	731,540	1,544	1,970,330
II. Accumulated amortization						
1. 1 January 2026	268,881	257,217	161,187	–	464	687,749
2. Increase	9,047	631	5,174	–	17	14,869
(1) Provision	9,047	631	5,174	–	17	14,869
3. Decrease	1,681	6,633	–	–	–	8,314
(1) Losses from consolidation	1,681	6,633	–	–	–	8,314
4. 30 June 2026 (Unaudited)	276,247	251,215	166,361	–	481	694,304
III. Provision for impairment						
1. 1 January 2026	–	–	–	–	–	–
2. Increase	–	–	–	–	–	–
(1) Provision	–	–	–	–	–	–
3. Decrease	–	–	–	–	–	–
(1) Disposal	–	–	–	–	–	–
4. 30 June 2026 (Unaudited)	–	–	–	–	–	–
IV. Carrying amount						
1. 30 June 2026 (Unaudited)	486,755	1,096	55,572	731,540	1,063	1,276,026
2. 1 January 2026	499,770	1,727	56,137	730,462	1,080	1,289,176

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.19 Development costs

Item	1 January 2026	Increase	Decrease	30 June 2026 (Unaudited)
Ground-Air Anti-Interference Electromagnetic Method Technology and Deep 3D Electromagnetic Detection Technology and Equipment	738	–	–	738
Big Geotechnical Digital Intelligence System Phase II – Tailings Pond Smart Operation and Maintenance Subsystem	330	–	–	330
Others	1,088	1,322	1,038	1,372
Total	2,156	1,322	1,038	2,440

5.20 Goodwill

(1) Original Cost

The name of the invested entity	1 January 2026	Additions for the period: Arising from business combination	Additions for the period: Others	Reductions for the period: Disposal	Reductions for the period: Others	30 June 2026 (Unaudited)
China Nonferrous Metals Industry Huakun Engineering Construction Co., Ltd.	579	–	–	–	–	579
Kunming Kehui Electric Co., Ltd.	296	–	–	–	–	296
Total	875	–	–	–	–	875

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.21 Long-term deferred expenses

Item	1 January 2026	Increase	Decrease Amortization	Decrease Others	30 June 2026 (Unaudited)
Rental of aluminum formwork	75,921	15,533	14,193	–	77,261
Site renovation costs	9,841	–	163	–	9,678
Rental cost of the underground garage of Twelfth Metallurgical Company	8,231	–	128	–	8,103
Fuping Steel Structure Factory	3,667	–		–	3,667
Others	2,650	5,919	625	–	7,944
Total	100,310	21,452	15,109	–	106,653

5.22 Deferred tax assets and deferred tax liabilities

(1) Unoffset deferred tax assets and deferred tax liabilities

Item	30 June 2026 (Unaudited) Deductible/taxable temporary differences	30 June 2026 (Unaudited) Deferred tax assets/liabilities	31 December 2025 Deductible/taxable temporary differences	31 December 2025 Deferred tax assets/liabilities
Deferred tax assets:				
Asset impairment provisions	6,483,147	1,121,905	6,231,209	1,108,075
Deductible tax losses	726,554	116,216	734,484	126,402
Retirement and termination benefits	311,188	57,514	330,077	60,885
Changes in fair value of other equity instrument investments	50,372	7,930	53,693	8,443
Lease impact	23,949	3,592	32,316	4,847
Others	90,682	13,602	78,752	11,888
Subtotal	7,685,892	1,320,759	7,460,531	1,320,540
Deferred tax liabilities:				
Appreciation of Asset valuation	248,201	49,807	248,942	49,918
Lease impact	25,128	3,769	33,437	5,016
Others	496,754	49,676	496,754	49,676
Subtotal	770,083	103,252	779,133	104,610

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.22 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	32,907	1,287,852	34,154	1,286,386
Deferred tax liabilities	32,907	70,345	34,154	70,456

(3) Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognized are listed as follows:

Item	30 June 2026 (Unaudited)	31 December 2025
Deductible temporary differences	2,073,797	2,367,148
Including: Asset impairment provisions	2,060,191	2,333,439
Changes in fair value of other equity instrument investment	13,606	33,364
Retirement and termination benefits	–	345
Deductible losses	2,178,163	2,572,613
Total	4,251,960	4,939,761

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.22 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	30 June 2026 (Unaudited)	31 December 2025
2026	–	357,984
2027	231,747	231,747
2028	132,682	147,427
2029	106,455	106,455
2030	436,295	467,146
2031	41,438	65,707
2032	271,339	316,435
2033	483,856	501,087
2034	108,127	120,308
2035	248,107	258,317
2036	118,117	–
Total	2,178,163	2,572,613

5.23 Other non-current assets

Item	30 June 2026 (Unaudited)	31 December 2025
Long-term contract assets	124,933	124,933
Aluminum formworks held for long-term rental	143,203	182,676
Assets held for disposal	47,583	47,583
Others	1,931	532
Subtotal	317,650	355,724
Less: Provision for impairment	15,409	20,543
Total	302,241	335,181

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.23 Other non-current assets (Continued)

(1) Movements in impairment provision on other non-current assets are listed as follows:

Item	1 January 2026	Movement				30 June 2026 (Unaudited)
		Accrued	Reverse	Written off (Decrease)	Others	
Long-term contract assets	623	–	–	–	–	623
Aluminum formworks held for long-term rental	19,920	–	–	5,134	–	14,786
Total	20,543	–	–	5,134	–	15,409

5.24 Restricted assets

Item	30 June 2026 (Unaudited)			
	Gross carrying amount	Carrying amount	Restriction types	Details of restriction
Cash and cash equivalents	**758,816**	**758,816**	**Deposits and frozen funds**	**Guarantee deposits, acceptance bill deposits and frozen funds**
Accounts receivable	**6,708**	**5,907**	**Pledge**	**Factoring of accounts receivable with recourse**

Item	1 January 2026			
	Gross carrying amount	Carrying amount	Restriction types	Details of restriction
Cash and cash equivalents	1,018,760	1,018,760	Deposits and frozen funds	Guarantee deposits, acceptance bill deposits and frozen funds
Accounts receivable	6,398	5,882	Pledge	Factoring of accounts receivable with recourse

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.25 Short-term loans

Item	30 June 2026 (Unaudited)	31 December 2025
Credit loans	**864,725**	939,339
Pledged loans	**5,408**	5,098
Total	**870,133**	944,437

Note: As at 30 June 2026, the company obtained short-term loans amounting to RMB5,408 thousand by pledging accounts receivable with a carrying value of RMB5,408 thousand, as well as all the rights and interests and revenues under the contracts to which the accounts receivable belonged.

5.26 Bills payable

Item	30 June 2026 (Unaudited)	31 December 2025
Commercial acceptance bills	**–**	–
Bank acceptance bills	**2,475,637**	3,241,980
Total	**2,475,637**	3,241,980

5.27 Accounts payable

Item	30 June 2026 (Unaudited)	31 December 2025
Within 1 year	**7,585,607**	6,436,194
1 to 2 years	**1,234,525**	2,111,284
2 to 3 years	**396,640**	467,589
More than 3 year	**809,119**	876,534
Total	**10,025,891**	9,891,601

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.27 Accounts payable (Continued)

(1) Material accounts payable aged over 1 year

Item	30 June 2026 (Unaudited)	Reasons for non-repayment or non-carriage
Company 21	**81,554**	Payment conditions not satisfied yet
Company 16	**81,089**	Payment conditions not satisfied yet
Company 22	**65,033**	Payment conditions not satisfied yet
Company 23	**59,918**	Payment conditions not satisfied yet
Company 24	**53,324**	Payment conditions not satisfied yet
Total	**340,918**	–

5.28 Receipts in advance

Item	30 June 2026	31 December 2025
Lease	**9,460**	7,433

5.29 Contract liabilities

Item	30 June 2026 (Unaudited)	31 December 2025
EPC project general contracting and construction	**3,318,884**	2,788,066
Equipment manufacturing	**1,383,109**	702,271
Design consulting	**746,037**	854,716
Total	**5,448,030**	4,345,053

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.29 Contract liabilities (Continued)

(1) Material contract liabilities aged over 1 year

Item	30 June 2026 (Unaudited)	Reasons for non-repayment or non-carriage
Company 25	122,573	Project not yet been certified for payment
Company 26	121,057	Project not yet been certified for payment
Company 27	76,564	Project not yet been certified for payment
Company 28	14,846	Project not yet been certified for payment
Company 29	13,119	Project not yet been certified for payment
Total	348,159	–

5.30 Employee compensation payables

Item	1 January 2026	Accrued	Paid	30 June 2026 (Unaudited)
Short-term employee benefits	54,379	939,730	934,012	60,097
Post-employment benefits – defined contribution plans	6,451	148,789	140,684	14,556
Termination benefits and defined benefit plans	47,279	18,453	25,261	40,471
Total	108,109	1,106,972	1,099,957	115,124

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.30 Employee compensation payables (Continued)

(1) Short-term employee benefits

Item	1 January 2026	Accrued	Paid	30 June 2026 (Unaudited)
Salaries, bonuses, and allowances	16,916	693,224	693,114	17,026
Employee welfare	–	53,247	53,247	–
Social insurance	2,914	73,653	70,509	6,058
Including: 1. Medical insurance and Maternity insurance	2,668	68,526	65,723	5,471
2. Work-related injury insurance	238	5,127	4,778	587
3. Others	8	–	8	–
Housing fund	7,284	80,905	77,753	10,436
Trade union funds and employee education funds	26,538	17,196	17,884	25,850
Other short-term employee benefits	727	21,505	21,505	727
Total	54,379	939,730	934,012	60,097

(2) Defined contribution plans

Item	1 January 2026	Accrued	Paid	30 June 2026 (Unaudited)
Post-employment benefits	6,451	148,789	140,684	14,556
Including: 1. Basic pension insurance	3,694	111,410	103,851	11,253
2. Unemployment insurance	743	4,620	4,342	1,021
3. Annuity	2,014	32,759	32,491	2,282
Total	6,451	148,789	140,684	14,556

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.31 Taxes payable

Item	30 June 2026 (Unaudited)	31 December 2025
Value added tax	**135,386**	102,354
Corporate income tax	**31,113**	81,284
Individual income tax	**4,763**	26,152
Urban maintenance and construction tax	**4,156**	7,659
Educational surcharges (including local education surcharge)	**2,687**	5,326
House property tax	**2,925**	2,676
Land use tax	**2,031**	1,990
Others	**2,780**	3,885
Total	**185,841**	231,326

5.32 Other payables

Item	30 June 2026 (Unaudited)	31 December 2025
Dividends payable	**155,571**	32,948
Other payable	**1,411,937**	1,599,386
Total	**1,567,508**	1,632,334

(1) Dividends payable

Item	30 June 2026 (Unaudited)	31 December 2025
Ordinary share dividend	**81,359**	2,409
Dividends on perpetual bonds classified as equity instruments	**74,212**	30,539
Total	**155,571**	32,948

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.32 Other payables (Continued)

(2) Other payable

Item	30 June 2026 (Unaudited)	31 December 2025
Guarantees and deposits payable	**818,905**	847,029
Temporary payment	**106,507**	226,203
Intercompany accounts	**173,765**	199,845
Others	**312,760**	326,309
Total	**1,411,937**	1,599,386

Including: significant other payables with aging of more than 1 year

Entity	Closing balance (Unaudited)	Reasons for non-repayment or non-carriage
Company 30	**33,988**	Payment conditions not satisfied yet
Company 31	**26,910**	Payment conditions not satisfied yet
Company 32	**10,504**	Payment conditions not satisfied yet
Company 33	**8,932**	Payment conditions not satisfied yet
Company 34	**7,920**	Payment conditions not satisfied yet
Total	**88,254**	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.33 Non-current liabilities due within one year

Item	30 June 2026 (Unaudited)	31 December 2025
Long-term loans due within one year	**2,703,181**	2,107,753
Lease liabilities due within one year	**10,186**	14,703
Total	**2,713,367**	2,122,456

5.34 Other current liabilities

Item	30 June 2026 (Unaudited)	31 December 2025
Pending VAT output	**1,693,504**	1,565,833
Endorsed or discounted Bills receivable but not yet matured	**156,993**	242,588
Provisions	**–**	5,636
Total	**1,850,497**	1,814,057

5.35 Long-term loans

Item	30 June 2026 (Unaudited)	31 December 2025	Interest Rate Range
Credit loans	**7,887,745**	8,268,753	Note
Pledged loans	**1,300**	1,300	Note
Guaranteed loans	**280,124**	281,624	Note
Subtotal	**8,169,169**	8,551,677	–
Less: long-term loans due within one year	**2,703,181**	2,107,753	Note
Total	**5,465,988**	6,443,924	–

Note: As at 30 June 2026, the long-term loans rate range is 2.23% to 4.90%.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.36 Lease liabilities

Item	30 June 2026 (Unaudited)	31 December 2025
Lease liabilities	30,170	34,422
Less: unrecognized financing expenses	1,093	1,408
Less: Reclassified to non-current liabilities due within 1 year	10,186	14,703
Total	18,891	18,311

5.37 Long-term employee compensation payables

Item	30 June 2026 (Unaudited)	31 December 2025
Post-employment benefits-net liabilities under defined benefit plan	203,383	205,419
Termination benefits	287,258	310,398
Subtotal	490,641	515,817
Less: Long-term employee compensation payable due within 1 year	40,471	47,279
Total	450,170	468,538

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.37 Long-term employee compensation payables (Continued)

(1) Movements of defined benefit plan are listed as follows

Present value of defined benefit obligation

Item	**30 June 2026 (Unaudited)**	31 December 2025
I. Opening balance	**515,817**	570,125
II. Defined benefit cost recognized in current profit or loss	**4,959**	9,617
1. Current service cost	**1,921**	3,540
2. Net interest	**3,038**	6,076
III. Defined benefit costs included in other comprehensive income	**–4,874**	–10,020
1. Actuarial gain	**–4,874**	–10,020
IV. Other changes	**–25,261**	–53,905
1. Benefits paid	**–25,261**	–53,905
V. Closing balance	**490,641**	515,817

Net liabilities of defined benefit plan

Item	**30 June 2026 (Unaudited)**	31 December 2025
I. Opening balance	**515,817**	570,125
II. Defined benefit costs recognized in profit or loss for the period	**4,959**	9,617
III. Defined benefit costs recognized in other comprehensive income	**–4,874**	–10,020
IV. Benefits paid in the period	**–25,261**	–53,905
V. Closing balance	**490,641**	515,817

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.37 Long-term employee compensation payables (Continued)

(2) The key actuarial assumptions

Item	30 June 2026 (Unaudited)	31 December 2025
Discount rate	**2%**	2%
Mortality rate	**China Life Insurance Mortality Table (2010–2013)**	China Life Insurance Mortality Table (2010–2013)
Annual growth rate of medical benefits	**8.00%**	8.00%
Annual growth rate of pension benefits for beneficiaries	**4.50%**	4.50%

5.38 Deferred income

Item	1 January 2026	Additions	Reductions	30 June 2026 (Unaudited)
Government grants	65,341	6,854	4,323	67,872

Government grants recorded in deferred income refer to Note 7 GOVERNMENT GRANTS.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.39 Share capital (Unit: thousand share)

Item	1 January 2026	Increase/Decrease(+, -) New share issued	Bonus shares	Shares converted from provident fund	Others	Subtotal	30 June 2026 (Unaudited)
Aluminum Corporation of China	2,176,759	–	–	–	–	–	2,176,759
Luoyang Engineering & Research Institute for Nonferrous Metals Processing	86,925	–	–	–	–	–	86,925
National Council for Social Security Fund, PRC	36,316	–	–	–	–	–	36,316
Holders of overseas listed H shares	363,160	–	–	–	–	–	363,160
Public ordinary shareholders	324,676	–	–	–	–	–	324,676
Total	2,987,836	–	–	–	–	–	2,987,836

5.40 Other equity instruments

Outstanding financial instruments	Date of issuance	Stock interest rate or interest rate	Issue price	Quantity	Amount	Expiration or renewal status	Conversion conditions	Conversion
Postal Savings Bank of China-2025 First Medium Term Notes	FY 2025	Determined through listing pricing and centralized allocation	100	20,000	2,000,000	3+N years	N/A	N/A
Postal Savings Bank of China-2025 Second Medium Term Notes	FY 2025	Determined through listing pricing and centralized allocation	100	18,000	1,800,000	3+N years	N/A	N/A
Total	–	–	–	38,000	3,800,000	–	–	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.40 Other equity instruments (Continued)

Movements in preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period:

Outstanding financial instruments	1 January 2026		Additions		Reductions		30 June 2026 (Unaudited)	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Postal Savings Bank of China-2025 First Medium Term Notes	20,000	2,000,000	–	–	–	–	20,000	2,000,000
Postal Savings Bank of China-2025 Second Medium Term Notes	18,000	1,800,000	–	–	–	–	18,000	1,800,000
Total	38,000	3,800,000	–	–	–	–	38,000	3,800,000

5.41 Capital reserves

Item	1 January 2026	Increase	Decrease	30 June 2026 (Unaudited)
Equity premium	949,283	–	–	949,283
Other capital reserves	482,135	9,721	176	491,680
Total	1,431,418	9,721	176	1,440,963

Note 1: In 2023, the company's restricted stock incentive plan granted restricted stocks to the initial group of recipients, resulting in an increase of RMB9,721 thousand in other capital reserves for the current year.

Note 2: During the period, changes in other equity interests of the investee resulted in a decrease of RMB176 thousand in other capital reserves.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.42 Treasury shares

Item	1 January 2026	Increase	Decrease	30 June 2026
Treasury shares	68,003	–	–	68,003

5.43 Other comprehensive income

(1) Other comprehensive income attributable to the Company in the balance sheet:

		Movements during the period		
Item	1 January 2026	Net-of-tax amount attributable to the Company	Less: previously recognized amount transferred to retained earnings	30 June 2026 (Unaudited)
I. Items that will not be reclassified to profit or loss	4,451	4,120	–12,883	21,454
1. Remeasurement of net defined benefit plan	50,689	3,862	–	54,551
2. Changes in fair value of other equity instrument investments	–46,238	258	–12,883	–33,097
II. Other comprehensive income reclassified into profit or loss	109,575	12,980	–	122,555
1. Translation differences arising from translation of foreign currency financial statements	109,575	12,980	–	122,555
Total other comprehensive income	114,026	17,100	–12,883	144,009

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.43 Other comprehensive income (Continued)

(2) Other comprehensive income attributable to the Company in the income statement:

Item	Movements during the period Before-tax amount	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	5,361	–	968	273	4,120
1. Remeasurement of net defined benefit plan	4,874	–	849	163	3,862
2. Changes in fair value of other equity instrument investments	487	–	119	110	258
II. Other comprehensive income reclassified into profit or loss	12,980	–	–	–	12,980
1. Translation differences arising from translation of foreign currency financial statements	12,980	–	–	–	12,980
Total other comprehensive income	18,341	–	968	273	17,100

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.44 Special reserve

Item	1 January 2026	Increase	Decrease	30 June 2026 (Unaudited)
Production safety fee	320,853	117,914	98,378	340,389

5.45 Surplus reserve

Item	1 January 2026	Increase	Decrease	30 June 2026 (Unaudited)
Statutory surplus reserve	229,735	–	–	229,735

5.46 Retained earnings

Item	**Amount incurred in the current period (Unaudited)**	Amount incurred in the previous period (Unaudited)
Retained earnings as at 31 December 2025 (before adjustment)	**–2,019,898**	–2,128,670
Total adjustments for opening retained earnings ("+" for increase; "–" for decrease)	**–**	–
Retained earnings as at 1 January 2026 (after adjustment)	**–2,019,898**	–2,128,670
Increase during the period	**107,086**	257,605
Add: Net profits for the period attributable to shareholders of the Company	**107,086**	257,605
Decrease during the period	**56,556**	148,833
Less: Appropriation for statutory surplus reserve	**–**	–
Dividend payable on perpetual bonds	**43,673**	148,833
Amounts transferred to retained earnings in the current period	**12,883**	–
Retained earnings as at 30 June 2026	**–1,969,368**	–2,019,898

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.47 Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	Amount incurred in the current period (Unaudited) Operating revenue	Operating Costs	Amount incurred in the previous period (Unaudited) Operating revenue	Operating Costs
Operating activity	8,954,831	7,629,220	9,616,233	8,577,650
Other operating activities	93,069	101,028	82,117	69,543
Total	9,047,900	7,730,248	9,698,350	8,647,193

(2) Operating revenue and operating costs by major segments

Major segments	Amount incurred in the current period (Unaudited) Revenue	Costs	Amount incurred in the previous period (Unaudited) Revenue	Costs
Operating activities:				
EPC project general contracting and construction	7,436,836	6,532,609	7,279,754	6,687,131
Design consulting	636,845	419,239	600,070	396,898
Equipment manufacturing	881,150	677,372	1,736,409	1,493,621
Subtotal	8,954,831	7,629,220	9,616,233	8,577,650
Other operating activities:				
Sales of materials	17,317	12,080	12,507	12,147
Sales of scrap	42,924	32,268	–	–
Lease revenue	23,884	16,720	24,921	13,500
Others	8,944	39,960	44,689	43,896
Subtotal	93,069	101,028	82,117	69,543
Total	9,047,900	7,730,248	9,698,350	8,647,193

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.47 Operating revenue and operating costs (Continued)

(3) Disaggregated information of operating revenue

① Operating revenue for the period by reporting segment

Segment	January 2026 – June 2026 (Unaudited) Revenue from contracts with clients	Lease income	Total
EPC project general contracting and construction	7,466,017	11,826	7,477,843
Design consulting	637,167	6,639	643,806
Equipment manufacturing	920,832	5,419	926,251
Total	9,024,016	23,884	9,047,900

② Operating revenue for the period by revenue recognition time

Revenue recognition time	January 2026 – June 2026 (Unaudited) EPC project general contracting and construction	Design consulting	Equipment manufacturing	Total
Recognized at a point in time	–	–	552,420	552,420
Recognized over a period time	7,477,843	643,806	373,831	8,495,480
Total	7,477,843	643,806	926,251	9,047,900

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.47 Operating revenue and operating costs (Continued)

(3) Disaggregated information of operating revenue (Continued)

③ Details of operating revenue

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Operating revenue	9,047,900	9,698,350
Less: Revenue not related to principal activities	93,069	82,117
Operating revenue net of revenue not related to principal activities and revenue lacking commercial substance	8,954,831	9,616,233

5.48 Taxes and surcharges

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
House property tax	15,940	16,966
Urban maintenance and construction tax	10,929	10,191
Stamp tax	4,796	8,201
Land use tax	6,405	6,569
Educational surcharges	4,823	4,531
Local educational surcharges	3,216	3,238
Others	897	1,200
Total	47,006	50,896

Note: The criteria of taxes and surcharges accrued and paid refer to Note 4. TAXATION.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.49 Selling and distribution expenses

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Employee compensation	**38,412**	36,543
Travel expenses	**3,140**	4,229
Business expense	**1,603**	2,213
Depreciation and amortization	**634**	564
Rental expense	**144**	597
Warehousing and logistics	**53**	275
Others	**8,801**	6,510
Total	**52,787**	50,931

5.50 General and administrative expenses

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Employee compensation	**272,317**	264,503
Depreciation and amortization	**48,427**	49,582
Travel expenses	**12,512**	14,057
Litigation expense	**11,755**	6,799
Office expenses	**11,465**	18,771
Intermediary expenses	**9,498**	11,214
Property management expense	**8,548**	7,337
Consulting expense	**5,122**	10,233
Repairs and maintenance expense	**3,541**	2,771
Foreign affairs expense	**3,467**	2,251
Business entertainment expense	**3,258**	7,831
Technical service expense	**2,723**	2,108
Postage expense	**1,658**	3,124
Consumable materials expense	**195**	358
Others	**23,351**	18,750
Total	**417,837**	419,689

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.51 Research and development expenses

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Employee compensation	205,360	190,526
Raw materials and main materials	58,932	72,130
Outsourced R&D expenses	8,246	4,612
Auxiliary expense	1,076	3,284
Depreciation and amortization	539	1,265
Other expenses	13,813	12,241
Total	287,966	284,058

5.52 Finance expenses

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Total interest expense	118,456	139,851
Interest expense – Lease liability	315	706
Less: interest capitalization	5,974	7,084
Less: interest income	7,528	14,073
Exchange gains or losses	97,672	1,331
Interest expenses – Actuarial expense	3,038	5,991
Handling charges and others	35,654	11,404
Total	241,318	137,420

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.53 Other income

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Income related	5,761	2,381
Gain from Debt Restructuring	–	–105
Total	5,761	2,276

5.54 Investment income

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Gain on long-term equity investment accounted for under the equity method	–18,642	2,100
Investment income from disposal of long-term equity investments	20,643	–
Investment income from debt reorganization	8,621	673
Others	–924	–1,165
Total	9,698	1,608

5.55 Gains from change in fair value

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Held-for-trading financial assets	–398	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.56 Impairment of credit losses ("–" for loss)

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Impairment of credit losses on accounts receivable	**5,037**	108,358
Impairment of credit losses on other receivables	**–92,646**	3,069
Impairment of credit losses on long-term receivables	**–11,918**	6,758
Total	**–99,527**	118,185

5.57 Impairment losses on assets ("–" for loss)

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Impairment losses on contract assets	**34,569**	–27,610
Impairment losses on inventories	**–4,845**	482
Total	**29,724**	–27,128

5.58 Gains/(losses) from assets disposal ("–" for loss)

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Gains from disposals of fixed assets ("–" for loss)	**–895**	10,491
Gains from disposals of intangible assets ("–" for loss)	**–**	17,977
Total	**–895**	28,468

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.59 Non-operating income

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)	Amount included in non-recurring gain or loss for the period
Approved unpayable balances	**9,248**	2,073	9,248
Income from penalties	**797**	529	797
Income from liquidated damages	**370**	3,841	370
Government grants	**223**	2	223
Others	**3,900**	6,578	3,900
Total	**14,538**	13,023	14,538

5.60 Non-operating expenses

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)	Amount included in non-recurring gain or loss for the period
Compensation expenses	**4,005**	512	4,005
Penalty expenses	**1,077**	3,569	1,077
Loss on destruction and retirement of non-current assets	**641**	195	641
Others	**2,435**	5,002	2,435
Total	**8,158**	9,278	8,158

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.61 Income tax expenses

(1) Details of income tax expenses

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Income tax expense for the year calculated according to the tax law and relevant regulations	**91,650**	42,181
Deferred income tax expense	**–15,506**	18,796
Total	**76,144**	60,977

(2) Reconciliation between income tax expenses and accounting profit is as follows:

Item	Amount incurred in the current period (Unaudited)
Profits/losses before tax	**221,481**
Expected income tax expenses at applicable tax rate	**33,223**
Effect of different tax rates applied by subsidiaries	**5,917**
Adjustment to income tax of previous years	**7,020**
Profit or loss arising from investments in joint ventures and associates accounted for using the equity method	**2,796**
Effect of non-deductible costs, expenses and losses	**32,081**
Effect of previously unrecognized deductible losses and deductible temporary differences	**–19,064**
Effect of currently unrecognized deductible losses and deductible temporary differences	**34,245**
Effect from over-deduction of research and development expenses	**–26,015**
Withholding income tax differences for overseas enterprise owners	**5,941**
Total	**76,144**

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.62 Notes on cash flow statement

(1) Proceeds from other operating activities

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Net cash received from receivables and payables	–	160,081
Deposit and guarantee refunds received	57,971	–
Interest received on bank deposits	7,528	14,073
Income-related government grant received	10,320	6,967
Others	14,397	12,531
Total	90,216	193,652

(2) Payment for other operating activities

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Net amount of provisions and receivables/payables paid	80,224	–
Net amount of prepayments repaid	119,696	–
Safety production expense paid	119,687	102,367
Travel expense paid	15,652	18,286
Handling charges paid	14,019	10,402
Office expense paid	11,465	18,771
Outsourced R&D and intermediary expense paid	8,246	4,612
Business entertainments expense paid	4,861	10,044
Litigation losses paid	688	512
Rental expense for warehousing and logistics expense paid	197	6,280
Others	2,545	7,877
Total	377,280	179,161

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.62 Notes on cash flow statement (Continued)

(3) Payments from other financing activities

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Repayments of principals and interests for lease liabilities	70	8,654
Payment on purchasing share capital from minority shareholders in the previous period	–	1,000
Repurchasing of restricted shares	2,176	–
Guarantee fee and other handling expenses	22,244	–
Total	24,490	9,654

(4) Changes in liabilities arising from financing activities

Item	1 January 2026	Change in Cash		Change in non-cash		30 June 2026
		Cash inflow	Cash outflow	Interest accrued	Others	(Unaudited)
Short-term loans	944,437	591,950	662,950	10,344	–3,690	870,133
Long-term loans	6,443,924	1,643,144	841,800	102,138	–1,782,381	5,465,988
Long-term loans due within one year	2,107,753	–	1,182,500	–	1,782,381	2,703,181
Lease liability (including lease liabilities due within one year)	33,014	–	70	315	–4,182	29,077
Total	9,529,128	2,235,094	2,687,320	112,797	–7,872	9,068,379

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.63 Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
1. Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit/loss	**145,337**	174,340
Add: Impairment losses on assets	**–29,724**	27,128
Impairment of credit losses	**99,527**	–118,185
Depreciation of fixed assets	**88,509**	71,776
Depreciation of investment properties	**17,882**	15,660
Depreciation of right-of-use assets	**8,500**	6,940
Amortization of intangible assets	**14,869**	14,278
Amortization of long-term deferred expenses	**15,109**	13,448
Loss on disposal of fixed assets, intangible assets and other long-term assets (“–” for gains)	**895**	–28,468
Loss on scrapping of fixed assets (“–” for gains)	**641**	195
Loss on changes in fair value (“–” for gains)	**398**	–
Finance expenses (“–” for income)	**112,482**	132,767
Investment loss (“–” for gains)	**–9,698**	–2,100
Decrease in deferred tax assets (“–” for increase)	**–1,466**	14,990
Increase in deferred tax liability (“–” for decrease)	**–111**	–63
Decrease in inventories (“–” for increase)	**–99,014**	–223,098
Decrease in contract assets (“–” for increase)	**59,869**	–883,042
Share payment	**9,721**	9,531
Decrease of operating receivables (“–” for increase)	**–910,222**	1,259,843
Increase of operational payables (“–” for decrease)	**764,942**	–685,240
Net cash flows from operating activities	**288,446**	–199,300

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.63 Supplementary information on cash flow statement (Continued)

(1) Supplementary information on cash flow statement (Continued)

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
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	–	626
3. Net changes in cash and cash equivalents:		
Closing balance of cash	2,804,176	2,527,739
Less: Opening balance of cash	3,244,043	3,166,948
Add: Closing balance of cash equivalents	–	–
Less: Opening balance of cash equivalents	–	–
Net increase/decrease in cash and cash equivalents	–439,867	–639,209

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.63 Supplementary information on cash flow statement (Continued)

(2) Details of cash and cash equivalents

Item	30 June 2026 (Unaudited)	31 December 2025
1. Cash	**2,804,176**	3,244,043
Including: Cash in hand	**1,360**	232
Bank deposits available on demand	**2,802,816**	3,243,811
2. Cash equivalents	**–**	–
Including: Bond investments with a maturity of 3 months or less	**–**	–
3. Cash and cash equivalents as at 30 June 2026 (Unaudited)	**2,804,176**	3,244,043

5.64 Notes to statement of changes in shareholders' equity

(1) Shareholders' contributions and reductions in capital – other reductions was RMB271 thousand, consisting of a decrease of RMB176 thousand in other capital reserves under capital surplus arising from changes in other equity interests of the invested companies during the year, and a decrease of RMB95 thousand in non-controlling interests.

(2) The other reduction in retained earnings during the current period represents the effect of interest payments on perpetual bonds, totaling RMB–43,673 thousand.

(3) The excluding of subsidiary Suzhou Doyum Environmental Technology Co., Ltd. in the consolidated statement for the current period resulted in a loss of RMB14,168 thousand on non-controlling interests.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.65 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	–	–	577,774
Including: USD	17,112	6.8109	116,548
IDR	602,797,910	0.0004	229,666
INR	74,485	0.0719	5,356
VND	10,868,187	0.0003	2,815
MYR	1,649	1.6734	2,759
SAR	46,698	1.8103	84,538
HKD	275	0.8685	239
GNF	170,664,668	0.0008	132,777
PEN	98,368	0.0030	294
CDF	1,396	1.9928	2,782
Accounts receivable	–	–	1,040,523
Including: USD	128,528	6.8109	875,395
IDR	79,517,739	0.0004	30,296
VND	154,428,585	0.0003	39,997
INR	29,605	0.0719	2,129
MYR	38,787	1.6734	64,906
GNF	35,733,187	0.0008	27,800
Accounts payable	–	–	615,684
Including: USD	79,950	6.8109	544,532
IDR	173,961,293	0.0004	66,279
VND	17,336,213	0.0003	4,490
INR	1,616	0.0719	116
EUR	34	7.7671	267
Other accounts receivable	–	–	5,314
Including: IDR	10,615,683	0.0004	4,045
MYR	462	1.6734	772
GNF	638,490	0.0008	497
Other accounts payable	–	–	16,594
Including: USD	1,689	6.8109	11,503
IDR	5,944,149	0.0004	2,265
VND	2,089,575	0.0003	541
GNF	2,936,546	0.0008	2,285

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.65 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

5.66 Leases

(1) As the lessee

Item	Amount incurred in the current period
Interest expense of lease liability	315
Total cash outflows related to lease	6,444
Total	6,759

(2) As the lessor

For operating lease:

Subsequent to balance sheet date	Closing balance
1st year	30,081
2nd year	30,832
3rd year	28,497
4th year	27,026
5th year	27,335
Total	143,771

6. INTEREST IN OTHER ENTITIES

6.1 Interests in subsidiaries

(1) Material composition of the Company

Name	Business Type	Principal place of business	Place of incorporation	Business nature	Shareholding % Direct	Shareholding % Indirect	Acquisition method
China Sixth Metallurgical Construction Co., Ltd.	1	Zhengzhou, Henan	Huaihe Road, Zhengzhou City	Construction projects	100.00	–	2
CINF Engineering Co., Ltd.	1	Changsha, Hunan	Furong District, Changsha City	Survey and design	64.90	–	2
Jiuye Construction Co., Ltd.	1	Xianyang, Shaanxi	Weicheng District, Xianyang City, Shaanxi Province	Engineering construction	73.17	–	3
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	1	Shenyang, Liaoning	Heping District, Shenyang City	Engineering survey and design	60.22	–	1
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	1	Taiyuan, Shanxi	Xinghualing District, Taiyuan City	Construction projects	100.00	–	2
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	1	Guiyang, Guizhou	Guanshanhu District, Guiyang City	Design consultancy	100.00	–	1
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd.	1	Kunming, Yunnan	Panlong District, Kunming City	Engineering survey and design	60.30	–	2
Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	1	Kunming, Yunnan	Panlong District, Kunming City	Engineering survey and design	67.00	–	2

Notes:

1) Business type:

1. Domestic non-financial subsidiaries; 2. Domestic financial subsidiaries; 3. Overseas subsidiaries; 4. Public institutions; 5. Infrastructure units.

2) Means of acquisition:

1. Incorporation; 2. Business combination under common control; 3. Business combination not under common control; 4. Others.

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	25,371	38,873	847,397
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	39.78	20,032	18,861	543,040
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	39.70	7,728	20,102	427,098
Jiuye Construction Co., Ltd.	26.83	–22,179	–	206,994
China Nonferrous Metals Processing Technology Co., Ltd.	7.65	3,134	–	15,415

(3) Key financial information about material non-wholly owned subsidiaries:

	As at 30 June 2026 (Unaudited)					
Name	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CINF Engineering Co., Ltd.	3,751,013	898,823	4,649,836	2,118,801	105,842	2,224,643
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	3,186,586	275,316	3,461,902	2,029,810	51,651	2,081,461
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	2,146,530	205,350	2,351,880	1,177,568	93,372	1,270,940
Jiuye Construction Co., Ltd.	7,550,990	1,296,450	8,847,440	6,571,430	611,422	7,182,852
China Nonferrous Metals Processing Technology Co., Ltd.	1,433,915	936,995	2,370,910	1,386,116	297,005	1,683,121

6. INTEREST IN OTHER ENTITIES (Continued)

6.1 Interests in subsidiaries (Continued)

(3) Key financial information about material non-wholly owned subsidiaries: (Continued)

Name	As at 31 December 2025 Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CINF Engineering Co., Ltd.	3,496,124	930,659	4,426,783	1,853,677	116,587	1,970,264
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	2,488,891	280,845	2,769,736	1,352,926	50,153	1,403,079
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	1,985,203	206,815	2,192,018	993,697	88,411	1,082,108
Jiuye Construction Co., Ltd.	7,508,099	1,347,114	8,855,213	6,583,530	466,916	7,050,446
China Nonferrous Metals Processing Technology Co., Ltd.	1,105,708	987,288	2,092,996	1,436,748	11,436	1,448,184

Name	**Amount incurred in the current period (Unaudited)** **Operating revenue**	**Net profit**	**Total comprehensive income**	**Cash flows from operating activities**
CINF Engineering Co., Ltd.	**1,114,452**	**73,556**	**74,428**	**32,610**
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	**784,068**	**51,306**	**51,306**	**344,180**
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	**899,992**	**20,591**	**20,591**	**33,419**
Jiuye Construction Co., Ltd.	**1,040,259**	**–65,959**	**–65,908**	**–351,676**
China Nonferrous Metals Processing Technology Co., Ltd.	**672,515**	**41,284**	**40,848**	**338,436**

6. INTEREST IN OTHER ENTITIES (Continued)

6.1 Interests in subsidiaries (Continued)

(3) Key financial information about material non-wholly owned subsidiaries: (Continued)

	Amount incurred in the previous period (Unaudited)			
Name	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
CINF Engineering Co., Ltd.	1,061,137	73,952	67,468	–24,186
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	735,981	61,675	58,925	99,082
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	762,637	32,526	28,967	29,631
Jiuye Construction Co., Ltd.	1,331,898	–8,544	–8,597	–454,231
China Nonferrous Metals Processing Technology Co., Ltd.	578,615	37,712	36,941	58,531

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 current period

(1) Basic information of former subsidiaries

No.	Name	Place of incorporation	Business nature	Shareholding (%)	Voting rights (%)	Reason
1	Guiyang Xinyu Construction Supervision Co., Ltd.	Xinyang New District, Guiyang City, Guizhou Province	Engineering Supervision and Consulting	100.00	100.00	Deregister
2	Suzhou Doyum Environmental Technology Co., Ltd.	Suzhou High-tech Zone	R&D and Sales of Environmental Protection Technology	62.50	62.50	Liquidation

6. INTEREST IN OTHER ENTITIES (Continued)

6.3 Interests in joint ventures or associates

(1) Material joint ventures or associates

Name	Principal place of business	Registration place	Business nature	Shareholding (%) Direct	Shareholding (%) Indirect	Accounting treatment of investments in joint ventures or associates
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

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) As at 30 June 2026	As at 31 December 2025	Zhongji Sunward Technology Co., Ltd. As at 30 June 2026	As at 31 December 2025
Current assets	**56,094**	56,224	**375,809**	399,619
Non-current assets	**9,990**	9,990	**4,118**	7,817
Total assets	**66,084**	66,214	**379,927**	407,436
Current liabilities	**8,411**	8,466	**248,422**	268,274
Non-current liabilities	**–**	–	**–**	–
Total liabilities	**8,411**	8,466	**248,422**	268,274
Net assets	**57,673**	57,748	**131,505**	139,162
Company's share of net assets	**8,709**	8,719	**64,437**	68,190
Adjustment:	**–19**	–	**6,377**	231
Carrying amount of equity investment in joint ventures	**8,690**	8,719	**70,814**	68,421
Fair value of equity investments with publicly quoted prices	**–**	–	**–**	–

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	**–**	–	**153,162**	126,693
Finance expenses	**–1**	–1	**–110**	–432
Income tax expenses	**–**	–	**52**	4,648
Net profit	**–200**	–241	**6,248**	290
Other comprehensive income	**–**	–	**–**	–
Total comprehensive income	**–200**	–241	**6,248**	290
Dividends received from joint ventures during the year	**–**	–	**–**	–

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. As at 30 June 2026	Taikang Haowen construction Co., Ltd. As at 31 December 2025	Loudi Haochuang development construction Co., Ltd. As at 30 June 2026	Loudi Haochuang development construction Co., Ltd. As at 31 December 2025	Zhuzhou Tianqiao Crane Co., Ltd. As at 31 March 2026	Zhuzhou Tianqiao Crane Co., Ltd. As at 31 December 2025
Current assets	**15,365**	44,148	**34,067**	50,942	**3,771,956**	3,730,040
Non-current assets	**822,859**	817,798	**614,869**	606,192	**1,006,909**	1,026,082
Total assets	**838,224**	861,946	**648,936**	657,135	**4,778,865**	4,756,123
Current liabilities	**73,415**	58,170	**16,136**	24,335	**2,214,933**	2,187,492
Non-current liabilities	**530,629**	569,596	**474,000**	474,000	**15,663**	13,032
Total liabilities	**604,044**	627,766	**490,136**	498,335	**2,230,596**	2,200,524
Net assets	**234,180**	234,180	**158,800**	158,800	**2,548,269**	2,555,599
Company's share of net assets	**108,640**	108,640	**100,000**	100,000	**175,499**	174,832
Adjustments	**–**	–	**–**	–	**–**	–
Carrying amount of interests in associates	**108,640**	108,640	**100,000**	100,000	**175,499**	174,832
Fair value of investments in associates which have quoted market price	**–**	–	**–**	–	**–**	–

6. INTEREST IN OTHER ENTITIES (Continued)

6.3 Interests in joint ventures or associates (Continued)

(3) Key financial information of material associates (Continued)

	Taikang Haowen construction Co., Ltd.		Loudi Haochuang development construction Co., Ltd.		Zhuzhou Tianqiao Crane Co., Ltd.	
Item	**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	**-**	–	**-**	–	**226,468**	795,486
Net profit	**-**	–	**-**	–	**2,394**	38,561
Other comprehensive income	**-**	–	**-**	–	**-11,965**	17,663
Total comprehensive income	**-**	–	**-**	–	**-9,571**	56,223
Dividends received from associates during this period	**-**	–	**-**	–	**-**	–

7. GOVERNMENT GRANTS

7.1 Government grants recognized in deferred revenue

Item	1 January 2026	Increase	Decrease	30 June 2026
Tongchuan New District Urban Roads + Underground Comprehensive Pipeline Corridor Overall Package PPP Project	51,900	–	–	51,900
Others	13,441	6,854	4,323	15,972
Total	65,341	6,854	4,323	67,872

8. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Company's major financial instruments include various equity investment, debt investment, derivative financial instruments, long-term and short-term borrowings, accounts receivable and accounts payable, etc. Details of various financial instruments have been disclosed in the relevant notes. 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. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

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).

(1) 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.

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 11.79% (2025: 12.29%) 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 32.68% (2025: 32.91%) of the total other receivables.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

8.1 Risk management objectives and policies (Continued)

(2) 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.

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.

As at the end of the reporting period, an analysis of the maturity profile of the undiscounted remaining contractual cash flows of financial liabilities held by the Company is set out below: (Unit: RMB thousand yuan)

	As at 30 June 2026			
Item	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Short-term loans	870,133	–	–	870,133
Bills payable	2,475,637	–	–	2,475,637
Accounts payable	10,025,891	–	–	10,025,891
Other payables	1,411,937	–	–	1,411,937
Long-term loans	2,703,181	5,039,364	426,624	8,169,169
Lease liabilities	11,600	18,570	–	30,170
Total	17,498,379	5,057,934	426,624	22,982,937

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

8.1 Risk management objectives and policies (Continued)

(2) Liquidity risk (Continued)

As at the end of the prior year, an analysis of the maturity profile of undiscounted remaining contractual cash flows of the financial liabilities held by the Company is set out below: (Unit: RMB thousand yuan)

	As at 31 December 2025			
Item	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Short-term loans	944,437	–	–	944,437
Bills payable	3,241,980	–	–	3,241,980
Accounts payable	9,891,601	–	–	9,891,601
Other payables	1,599,386	–	–	1,599,386
Long-term loans	2,107,753	6,014,300	429,624	8,551,677
Lease liabilities	15,894	18,528	–	34,422
Total	17,801,051	6,032,828	429,624	24,263,503

The amounts of financial liabilities disclosed in the above table represent undiscounted contractual cash flows and therefore may differ from the carrying amounts presented in the statement of financial position.

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.

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.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

8.1 Risk management objectives and policies (Continued)

(2) Liquidity risk (Continued)

b. Interest rate risk (Continued)

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.

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. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

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.

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 minority interests.

At the Balance Sheet date, the Company's gearing ratio was as follows (unit: RMB thousand yuan):

Item	30 June 2026 (Unaudited)	31 December 2025
Short-term loans	**870,133**	944,437
Long-term loans due within one year	**2,703,181**	2,107,753
Long-term loans	**5,465,988**	6,443,924
Less: Cash and cash equivalents listed in Cash Flow Statement	**2,804,176**	3,244,043
Net debts	**6,188,467**	6,252,071
Total equity attributable to equity owners of the Company	**9,203,848**	9,141,141
Total capital	**15,392,315**	15,393,212
Gearing ratio	**40.20%**	40.62%

9. FAIR VALUE

The level in which fair value measurement is categorized 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 30 June 2026, 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	–	–	177,694	177,694
Financing receivables	–	–	136,353	136,353
Financial assets classified as FVOCI	–	–	41,341	41,341

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.

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, nonferrous metal smelting and processing, related trading and engineering and technical services	2,520,000	76.50	76.50

The ultimate controlling party of the Company is Aluminum Corporation of China (which is owned and controlled by SASAC). On 30 June 2026, China Aluminum Group directly held 72.88% 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 75.79% 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.

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
Luoyang Huazhong Aluminum Co., Ltd.	An associate of the Company
CHALCO Shituo Intelligent Technology Co., Ltd.	An associate of the Company
Qinghai Chinalco Industrial Services Co., Ltd.	An associate of the Company
Zhuzhou Tianqiao Crane Co., Ltd.	An associate of the Company
CHALCO Environmental Protection and Energy Saving Technology (Hunan) Co., Ltd.	An associate of the Company
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	A joint venture of the Company
Zhongji Shanhe Technology Co., Ltd.	A joint venture of the Company

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties

Name	Related party relationship
Anhui Huaju New Materials Co., Ltd.	Ultimately controlled by the same parent
Baotou Aluminum (Group) Co., Ltd.	Ultimately controlled by the same parent
Baotou Aluminium Co., Ltd.	Ultimately controlled by the same parent
Baotou Chinalco technology service development Co., Ltd.	Ultimately controlled by the same parent
Beijing Aluminum Energy Fresh Environmental Technology Co., Ltd.	Ultimately controlled by the same parent
Chibi Changcheng Carbon Products Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Copper Chifeng Non-ferrous Metals Co ltd	Ultimately controlled by the same parent
Chuxiong Dianzhong Nonferrous Metals Co.,Ltd.	Ultimately controlled by the same parent
Northeast Light Alloy Co., Ltd.	Ultimately controlled by the same parent
Fushun Aluminium Co., Ltd.	Ultimately controlled by the same parent
Gansu Hualu Aluminum Industry Co., Ltd.	Ultimately controlled by the same parent
Guangxi Huasheng Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Guiyang Aluminum & Magnesium Asset Management Co., Ltd.	Ultimately controlled by the same parent
Guizhou Guilv Modern Urban Service Co., Ltd.	Ultimately controlled by the same parent
Guizhou Huajin Aluminum Co., Ltd.	Ultimately controlled by the same parent
Guizhou Huaren Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Guizhou Aluminium Co., Ltd.	Ultimately controlled by the same parent
Harbin Dongqing Special Materials Co., Ltd.	Ultimately controlled by the same parent
Hangzhou Knight Valve Co.,Ltd.	Ultimately controlled by the same parent
Henan Huahui Nonferrous Engineering Design Co., Ltd.	Ultimately controlled by the same parent
Henan Changcheng IT Co., Ltd.	Ultimately controlled by the same parent
Henan Chinalco Construction Engineering Co., Ltd.	Ultimately controlled by the same parent
Henan Chinalco Equipment Co., Ltd.	Ultimately controlled by the same parent
Henan Zhongzhou Aluminum Plant Co., Ltd.	Ultimately controlled by the same parent
Heqing Yixin Aluminum Co. Ltd.	Ultimately controlled by the same parent
Hulunbeier Chihong Mining Co., Ltd.	Ultimately controlled by the same parent
Hunan Changkan Business Development Co., Ltd.	Ultimately controlled by the same parent
Hunan Changkan Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Huili Wulong Fumin Mining Co., Ltd.	Ultimately controlled by the same parent
Kunming Metallurgical Research Institute Co., Ltd.	Ultimately controlled by the same parent
Lasa Tianli Mining Co., Ltd.	Ultimately controlled by the same parent
Lanzhou Aluminium Factory	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Lanzhou Aluminum Co., Ltd.	Ultimately controlled by the same parent
Liangshan Mining Co.,Ltd.	Ultimately controlled by the same parent
Liangshan Copper Co., Ltd.	Ultimately controlled by the same parent
CHALCO Aluminum Foil (Longxi) Co., Ltd.	Ultimately controlled by the same parent
Ningde Yuntong Real Estate Co.,Ltd.	Ultimately controlled by the same parent
Ningxia Wangwa Coal Industry Co.,Ltd.	Ultimately controlled by the same parent
Ningxia Yinxing Coal Industry Co. Ltd.	Ultimately controlled by the same parent
Ningxia Yinxing Energy Co., Ltd.	Ultimately controlled by the same parent
Pingguo Aluminum Co., Ltd.	Ultimately controlled by the same parent
Qinghai Hongxin Mining Co.,Ltd.	Ultimately controlled by the same parent
Qujing Yunlv Yuxin Aluminum Co., Ltd	Ultimately controlled by the same parent
Shandong Huayu Alloy Material CO.,LTD	Ultimately controlled by the same parent
Shandong Aluminum Co., Ltd.	Ultimately controlled by the same parent
Shandong Aluminum Vocational College	Ultimately controlled by the same parent
Shandong Shanlv Environmental Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Shandong Yixing Carbon New Material Co., Ltd.	Ultimately controlled by the same parent
Shanxi Huaxing Aluminum Co., Ltd.	Ultimately controlled by the same parent
Shanxi Longmen Aluminum Co., Ltd.	Ultimately controlled by the same parent
Shanxi 12th Metallurgical Housing Leasing Co., Ltd.	Ultimately controlled by the same parent
Shanxi CHALCO Industrial Service Co., Ltd..	Ultimately controlled by the same parent
Shenzhen Jinlu Machinery Co., Ltd.	Ultimately controlled by the same parent
Suzhou New Changguang Thermal Energy Technology Co., Ltd.	Ultimately controlled by the same parent
Xizang Jinlong Mining Co.,Ltd.	Ultimately controlled by the same parent
Xizang Xinhu Mining Co.,Ltd.	Ultimately controlled by the same parent
Southwest Aluminium (GROUP) CO.,LTD.	Ultimately controlled by the same parent
New Barag Right Banner Rongda Mining Co., Ltd.	Ultimately controlled by the same parent
Yiliang Chihong Mining Co., Ltd.	Ultimately controlled by the same parent
Yimen Copper Co., Ltd.	Ultimately controlled by the same parent
Yuxi Dahongshan Mining Co, Ltd	Ultimately controlled by the same parent
Yuxi Feiya Mining Industry Development Management Co., Ltd.	Ultimately controlled by the same parent
Yuxi Mining Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong International Gemanium Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong Zinc Germanium Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Yunnan Chihong Comprehensive Resource Utilization Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chuxiong Mining and Metallurgy Co., Ltd.	Ultimately controlled by the same parent
Yunnan Diqing Mining Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Diqing Non-Ferrous Metal Co., Ltd.	Ultimately controlled by the same parent
Yunnan Haoxin Aluminum Foil Co., Ltd.	Ultimately controlled by the same parent
Yunnan Jinding Zinc Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Jinsha Mining Co., Ltd.	Ultimately controlled by the same parent
Yunnan Keli Environmental Protection Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Lancang Lead Mining Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Aluminium Industry CO.,LTD	Ultimately controlled by the same parent
Yunnan Copper (Group) Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Senior Technical School	Ultimately controlled by the same parent
Yunnan Copper Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Technology Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Mineral Resources Exploration and Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Wenshan Aluminum Co., Ltd.	Ultimately controlled by the same parent
Yunnan Xinping Jinhui Mining Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Group Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Group Jinshui Property Management Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Kunming Heavy Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Group Renda Computer Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yongchang Lead Zinc Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yuanxin Carbon Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Haixin Aluminum Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Huixin Economic and Trade Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Lvyuan Huibang Engineering Technology Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunkv Runxin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Logistik investment Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Yongxin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Zexin Aluminum Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yuntong Zinc Co., Ltd.	Ultimately controlled by the same parent
Zhengzhou Lvcheng Labor Service Company	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Shenyang Aluminium and Magnesium Design Research Institute Zhengzhou Branch	Ultimately controlled by the same parent
Zhengzhou Chinalco Construction Development Co., Ltd.	Ultimately controlled by the same parent
Aluminum Corporation of China Limited	Ultimately controlled by the same parent
Chinalco High End Manufacturing Co., Ltd.	Ultimately controlled by the same parent
Aluminum Corporation of China Guinea Co.. Ltd.	Ultimately controlled by the same parent
Aluminum Corporation of China Hong Kong Co., Ltd.	Ultimately controlled by the same parent
China Copper Industry Co., Ltd	Ultimately controlled by the same parent
MINERA CHINALCO PERU S.A.	Ultimately controlled by the same parent
China Yunnan CO.LTD.FOR International TECHNO-ECONOMIC Cooperation	Ultimately controlled by the same parent
China Great Wall Aluminum Corporation	Ultimately controlled by the same parent
CHALCO (Beijing) Bidding Management Co., Ltd.	Ultimately controlled by the same parent
Chinalco (Dalian) Aluminum Industry Co., Ltd.	Ultimately controlled by the same parent
CHALCO (Rizhao) Mineral Resources Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgy Resources Ltd	Ultimately controlled by the same parent
CHALCO (Yunnan) Green Advanced Aluminum-based Materials Co., Ltd.	Ultimately controlled by the same parent
CHALCO Insurance Brokers (Beijing) Co., Ltd.	Ultimately controlled by the same parent
Chinalco Finance Co., Ltd.	Ultimately controlled by the same parent
CHALCO Southeast Materials Institute (Fujian) Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shared Services (Tianjin) Co., Ltd.	Ultimately controlled by the same parent
China Aluminum International Trading Group Co., Ltd.	Ultimately controlled by the same parent
Chalco International Trade Co., Ltd.	Ultimately controlled by the same parent
CHALCO Aluminum Foil (Luoyang) Co., Ltd.	Ultimately controlled by the same parent
Chinalco Henan Luoyang Aluminum Processing Co., Ltd.	Ultimately controlled by the same parent
China Copper Huazhong Copper CO.,LTD.	Ultimately controlled by the same parent
Chinalco Environmental Protection and Energy Saving Group 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 Science and Technology Research Institute Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Chinalco Luoyang Copper Co., Ltd.	Ultimately controlled by the same parent
CHALCO Aluminum Foil (Yunnan) Co., Ltd.	Ultimately controlled by the same parent
CHALCO Green Materials (Zhaotong) Aluminum-based New Materials Co.,Ltd	Ultimately controlled by the same parent
CHALCO Inner Mongolia Resource Development Co., Ltd.	Ultimately controlled by the same parent
China Aluminum Ningxia Energy Group CO.,LTD	Ultimately controlled by the same parent
Chalco Qingdao Light Metal Co.,Ltd.	Ultimately controlled by the same parent
CHALCO Ruimin (Fujian) New Materials Co., Ltd.	Ultimately controlled by the same parent
Chinalco Ruimin Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shandong Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Chalco Shandong Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shanxi Lvliang Mining Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shanxi Aluminum Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shanxi New Materials Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shuwei (Beijing) Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shuwei (Chengdu) Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shuwei (Hangzhou) Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shuwei (Kunming) Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Suihe Nonferrous Metals Green Low Carbon Innovation and Development Fund (Beijing) Partnership (Limited Partnership)	Ultimately controlled by the same parent
CHALCO Iron Ore Holdings Co., Ltd.	Ultimately controlled by the same parent
Chinalco Investment Development Co., Ltd.	Ultimately controlled by the same parent
Chinalco Logistics Group Co., Ltd.	Ultimately controlled by the same parent
Chalco Materials Co., Ltd.	Ultimately controlled by the same parent
CHALCO Southwest Aluminum Plate Strip Co., Ltd.	Ultimately controlled by the same parent
CHALCO New Materials Co., Ltd.	Ultimately controlled by the same parent
Chalco Zhengzhou Nonferrous Metals Research Institute Co., Ltd.	Ultimately controlled by the same parent
CHALCO Intelligent (Hangzhou) Safety Science Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chinalco Zhongzhou Mining Co., Ltd.	Ultimately controlled by the same parent
CHALCO Zhongzhou New Material Technology Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Chinalco Capital Holdings Co., Ltd.	Ultimately controlled by the same parent
Chinalco Asset Management Co., Ltd.	Ultimately controlled by the same parent
China Copper (Kunming) Copper Industry Co., Ltd.	Ultimately controlled by the same parent
China Copper (Tangshan) Mineral Products Co., Ltd.	Ultimately controlled by the same parent
China Copper Southeast Copper Co., Ltd.	Ultimately controlled by the same parent
China Copper Central China Copper Co., Ltd.	Ultimately controlled by the same parent
China Copper Mineral Resources Co., Ltd.	Ultimately controlled by the same parent
Luoyang Nonferrous Metal Processing Design and Research Institute Co., Ltd.	Ultimately controlled by the same parent
Shanxi Chinalco, China Resources Co., Ltd.	Ultimately controlled by the same parent
Northwest Aluminum 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
Chinalco Zhongzhou Aluminum Co., Ltd.	Ultimately controlled by the same parent
China Aluminum Materials Application Research Institute Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Chinalco Mining Corporation International (Ningde) Limited	Ultimately controlled by the same parent
Chongqing Guochuang Light Alloy Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chongqing Xilv Enterprise Management Service Co., Ltd.	Ultimately controlled by the same parent
Chongqing Southwest Aluminum Development Decoration Engineering Co., Ltd.	Ultimately controlled by the same parent
Chongqing Swa Mechanical & Electrical Equipment Engineering Co., Ltd.	Ultimately controlled by the same parent
Chongqing Southwest Aluminum Minsheng Industrial Co., Ltd.	Ultimately controlled by the same parent
Zhuhai Changye Asset Management Co., Ltd.	Ultimately controlled by the same parent
Zibo Dadi Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Zunyi Aluminum Co., Ltd.	Ultimately controlled by the same parent
Baotou Sendu Carbon Co., Ltd.	Associates of China Aluminum Group
Guizhou Guilv Modern Urban Service Co., Ltd.	Associates of China Aluminum Group
Guizhou Guilv Equipment Engineering Co., Ltd.	Associates of China Aluminum Group

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Guizhou CHALCO Aluminum Co., Ltd.	Associates of China Aluminum Group
Lualaba Copper Smelter S.A.	Associates of China Aluminum Group
Shandong Weishan Rare Earth Co., Ltd.	Associates of China Aluminum Group
Sichuan Liwu Copper Co., Ltd.	Associates of China Aluminum Group
Taiyuan China Nonferrous 12th Metallurgical Real Estate Development Co., Ltd.	Associates of China Aluminum Group
Yunnan Simao Shanshui Copper Company Limited	Associates of China Aluminum Group
Yunnan Sotong Yunlv Carbon Materials Co., Ltd.	Associates of China Aluminum Group
Yunnan Yunchuang Tender Co., Ltd.	Associates of China Aluminum Group
China Construction Aluminum New Material Chengdu Co., Ltd.	Associates of China Aluminum Group
CHALCO Guizhou Industrial Service Co., Ltd.	Associates of China Aluminum Group
China Rare Earth (Guangxi) Jinyuan Rare Earth New Material Co., Ltd.	Associates of China Aluminum Group
China Rare Earth (Kunming) Rare Earth New Material Co., Ltd.	Associates of China Aluminum Group
Tianjin Junxin Lightweight Technology Co., Ltd.	Associates of China Aluminum Group
Guangxi Hualei New Materials Co., Ltd.	Joint Ventures of China Aluminum Group
Guangxi Huayin Aluminum Co., Ltd.	Joint Ventures of China Aluminum Group
Ningxia Tianjing Shenzhou Wind Power Co., Ltd.	Joint Ventures of China Aluminum Group
Chongqing Shangjiangchen Real Estate Co., Ltd.	Joint Ventures of China Aluminum Group
Li Yihua	Chairman and Executive Director
Wang Dezhong	Non-executive Director
Tao Fulun	Non-executive Director
Liu Jing	Executive Director, Secretary of the Board and Chief Financial Officer
Liu Dongjun	Executive Director and General Manager
Xu Lijun	Employee Representative Director
Zhang Tingan	Independent Non-executive Director
Tong Pengfang	Independent Non-executive Director
Han Ziyang	Deputy General Manager
Bai Jie	Deputy General Manager and General Counsel
Zhou Dongfang	Deputy General Manager

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	Pricing Method and Decision-Making Procedure of Related Party Transaction	Amount incurred in the current period (Unaudited) Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	Procurement of Main Materials and Auxiliary Materials	Market price	624,876	8.67
Joint Ventures of the Company	Procurement of Main Materials and Auxiliary Materials	Market price	128,739	1.79
Associates of the Company	Procurement of Main Materials and Auxiliary Materials	Market price	27,224	0.38
Subsidiaries of China Aluminum Group	Engineering, Construction and Supervision Services	Market price	16,594	0.23
Subsidiaries of China Aluminum Group	Logistics Services and Other Businesses	Market price	10,477	26.22
Subsidiaries of China Aluminum Group	Design and Consulting	Market price	6,864	0.10
Associates of China Aluminum Group	Procurement of Main Materials and Auxiliary Materials	Market price	4,587	0.06
Associates of China Aluminum Group	Design and Consulting	Market price	164	0.04
Associates of China Aluminum Group	Logistics Services and Other Businesses	Market price	17	0.04

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.5 Transactions with related parties (Continued)

(1) Purchases/sales (Continued)

① Purchase of goods/receiving of services (Continued)

Related party	Nature of transaction	Pricing Method and Decision-Making Procedure of Related Party Transaction	Amount incurred in the previous period (Unaudited) Amount	Percentage to the same type of transaction (%)
China Aluminum Group and its Subsidiaries	Procurement of Main Materials and Auxiliary Materials	Market price	249,228	2.91
China Aluminum Group and its Subsidiaries	Design and Consulting	Market price	25,020	0.29
Associates of the Company	Procurement of Main Materials and Auxiliary Materials	Market price	10,040	0.12
Associates of China Aluminum Group	Logistics Services and Other Businesses	Market price	6,423	9.24

② Sales of goods/rendering of services

Related party	**Nature of transaction**	**Pricing Method and Decision-Making Procedure of Related Party Transaction**	**Amount incurred in the current period (Unaudited) Amount**	**Percentage to the same type of transaction (%)**
Subsidiaries of China Aluminum Group	EPC General Contracting and Construction	Market price	**2,513,840**	**33.80**
Associates of the Company	EPC General Contracting and Construction	Market price	**453,237**	**6.09**
Subsidiaries of China Aluminum Group	Design and Consulting	Market price	**212,342**	**33.34**
Subsidiaries of China Aluminum Group	Equipment Manufacturing	Market price	**165,675**	**19.35**
Joint ventures of China Aluminum Group	EPC General Contracting and Construction	Market price	**94,720**	**1.27**

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)

			Amount incurred in the current period (Unaudited)	
Related party	Nature of transaction	Pricing Method and Decision-Making Procedure of Related Party Transaction	Amount	Percentage to the same type of transaction (%)
Joint ventures of China Aluminum Group	Equipment Manufacturing	Market price	60,402	7.06
Subsidiaries of China Aluminum Group	Sales of scraps	Market price	34,102	79.45
Associates of China Aluminum Group	EPC General Contracting and Construction	Market price	18,993	0.26
Associates of China Aluminum Group	Design and Consulting	Market price	3,180	0.50
Joint ventures of China Aluminum Group	Design and Consulting	Market price	1,756	0.28
Subsidiaries of China Aluminum Group	Logistics service and other business	Market price	1,709	19.11
Subsidiaries of China Aluminum Group	Sales of materials	Market price	997	5.76
Joint ventures of the Company	Design and Consulting	Market price	132	0.02
Associates of China Aluminum Group	Logistics service and other business	Market price	27	0.31

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	Pricing Method and Decision-Making Procedure of Related Party Transaction	Amount incurred in the previous period (Unaudited) Amount	Percentage to the same type of transaction (%)
China Aluminum Group and its Subsidiaries	EPC General Contracting and Construction	Market price	1,966,759	27.02
Associates of the Company	EPC General Contracting and Construction	Market price	500,198	6.87
China Aluminum Group and its Subsidiaries	Equipment Manufacturing	Market price	234,854	13.53
China Aluminum Group and its Subsidiaries	Design and Consulting	Market price	120,208	20.03
Joint ventures of the Company	EPC General Contracting and Construction	Market price	80,421	1.10
China Aluminum Group and its Subsidiaries	Logistics service and other business	Market price	9,594	11.68
Joint ventures of China Aluminum Group	Equipment Manufacturing	Market price	7,524	0.43
Associates of China Aluminum Group	EPC General Contracting and Construction	Market price	3,656	0.05
Associates of China Aluminum Group	Design and Consulting	Market price	1,749	0.29
Joint ventures of China Aluminum Group	Design and Consulting	Market price	962	0.16
Associates of China Aluminum Group	Equipment Manufacturing	Market price	121	0.01

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
Tianjin No.12 Metallurgical Engineering Co., Ltd	China Aluminum Shared Services (Tianjin) Co., Ltd.	Buildings	**2,028**	2,066
China Aluminum Great Wall Construction Co., Ltd.	China Aluminum Mining Co., Ltd.	Land Leasing	**846**	846
China Aluminum Shandong Engineering Technology Co., Ltd	Shanxi Huaxing Aluminum Co., Ltd.	Equipment Leasing	**511**	–
Jiuye Construction Co., Ltd.	Baotou Aluminum (Group) Co., Ltd.	Buildings	**430**	547
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd.	Aluminum Corporation of China (Beijing) Tendering Management Co., Ltd.	Buildings	**42**	210
China Aluminum Shandong Engineering Technology Corporation Limited	Shandong Aluminum Co., Ltd.	Buildings	**24**	–
China Aluminum International Southern Engineering Co., Ltd.	CHALIE Environmental Protection and Ecological Technology (Hunan) Co., Ltd.	Buildings	**–**	320

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 Nonferrous Metallurgy Co., Ltd.	Buildings	**4,041**	4,615
CHALCO Shandong Co., Ltd.	China Aluminum Shandong Engineering Technology Co., Ltd	Land Leasing	**1,652**	1,327
Yunnan Copper Real Estate Property Service Co., Ltd.	Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd.	Buildings	**829**	–
China Aluminum Great Wall Construction Co., Ltd.	Zhengzhou Jiuye Sanwei Chemical Machinery Co., Ltd.	Buildings	**683**	–
Yunnan Copper Science Technology Development Co., Ltd.	Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd.	Buildings	**626**	–
China Aluminum Shandong Co., Ltd.	China Aluminum Shandong Engineering Technology Co., Ltd	Equipment Leasing	**224**	–
Aluminum Corporation of China (Changsha) Asset Management Co., Ltd.	Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd.	Buildings	**51**	–
Yunnan Metallurgical Group Jinshui Property Management Co., Ltd.	Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd.	Buildings	**41**	–

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.5 Transactions with related parties (Continued)

(2) Leases (Continued)

② As the lessee (Continued)

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 Jinding Zinc CO., Ltd	Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd.	Buildings	36	–
China Aluminum Shandong Co., Ltd.	China Aluminum Shandong Engineering Technology Corporation Limited	Buildings	17	–
CHALCO Shandong Co., Ltd.	CHALCO Wancheng Shandong Co., Ltd.	Buildings	–	619
Zhengzhou Chinalco Construction and Development Co., Ltd.	China Sixth Metallurgical Construction Co., Ltd.	Buildings	–	138

(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	3,613,625	2019-10-31	2049-4-20	No
Yunnan Linyun Expressway Co. Ltd	2,690,980	2019-10-31	2048-12-31	No
Yunnan Linshuang Expressway Co. Ltd	1,839,752	2020-11-4	2046-12-31	No
Mian County Urban Rural Infrastructure Construction Co., Ltd	4,525	2015-10-20	2027-10-19	No

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.5 Transactions with related parties (Continued)

(3) Guarantee (Continued)

② As the guaranteed party

The perpetual medium-term bills issued by the company in 2025 are guaranteed by the parent company – China Aluminum Group. The guarantee fees incurred during the reporting period amounted to RMB20,985 thousand.

(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	2,637,930	19 May 2023 to 28 May 2026	18 May 2026 to 25 May 2029	1.98–2.65	34,018	Credit loan
Provide deposit service:						
Chinalco Finance Company Limited	1,139,805	–	–	0.2–0.5	3,374	Deposits at banks

(5) Remuneration of key management personnel

The Company has 14 key management personnel as of 30 June 2026, while 11 key management personnel as of 31 December 2025. Details about remuneration is as follows:

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Remuneration of key management personnel	**3,548**	2,468

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.6 Receivables from and payables to related parties

(1) Receivables from related parties

		30 June 2026 (Unaudited)		31 December 2025	
Item	Related party	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Accounts receivable	China Aluminum Group and its Subsidiaries	2,337,865	234,778	1,926,032	214,271
Accounts receivable	Associates of the company	1,848,516	143,132	1,823,474	147,277
Accounts receivable	Joint ventures of China Aluminum Group	70,138	2,685	74,479	2,892
Accounts receivable	Associates of China Aluminum Group	13,330	3,040	10,830	2,585
Accounts receivable	Joint ventures of the Company	225	23	225	23
Other receivables	China Aluminum Group and its Subsidiaries	89,612	24,498	93,595	24,567
Other receivables	Associates of China Aluminum Group	22,282	6,100	21,972	6,046
Other receivables	Associates of the Company	27,385	2,663	27,835	2,715
Other receivables	Joint ventures of China Aluminum Group	1,767	164	4,192	353
Other receivable	Joint ventures of the company	88	–	–	–
Prepayments	China Aluminum Group and its Subsidiaries	9,222	–	9,200	–
Prepayments	Joint ventures of the Company	–	–	9,115	–
Dividends receivable	Associates of the Company	3,752	–	–	–
Dividends receivable	China Aluminum Group and its Subsidiaries	258	–	–	–

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.6 Receivables from and payables to related parties (Continued)

(2) Payables to related parties

Item	Related party	30 June 2026 (Unaudited)	31 December 2025
Accounts payable	China Aluminum Group and its Subsidiaries	60,150	134,660
Accounts payable	Joint ventures of China Aluminum Group	330,102	8,484
Accounts payable	Associates of China Aluminum Group	57,734	5,788
Accounts payable	Joint ventures of China Aluminum Group	21,719	–
Other payables	China Aluminum Group and its Subsidiaries	26,821	26,556
Other payables	Associates of the Company	138	1,079
Other payables	Joint ventures of China Aluminum Group	81	81
Other payables	Associates of China Aluminum Group	99	1
Dividends payables	China Aluminum Group and its Subsidiaries	36,834	–

10.7 Contract assets and contract liabilities of related parties

(1) Contract assets

Related party	30 June 2026 (Unaudited)		31 December 2025	
	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Joint ventures of China Aluminum Group	19,130	1,963	8,491	111
Associates of China Aluminum Group	4,610	339	3,034	303
Associates of the Company	1,226,892	61,688	1,283,372	60,649
China Aluminum Group and its Subsidiaries	784,028	86,509	777,575	91,474

(2) Contract liabilities

Related party	30 June 2026 (Unaudited)	31 December 2025
Subsidiaries of China Aluminum Group	975,126	972,701
Joint ventures of China Aluminum Group	38,106	78,054
Associates of the Company	1,771	1,465
Joint Ventures of the Company	304	100
Associates of China Aluminum Group	12,422	652

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	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–

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 the Grantees under the Company's 2023 Restricted Share Incentive Plan (the "Incentive Plan"). The Company determined June 18, 2024 as the initial grant date and granted 27.1583 million 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 26.7696 million. 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 26.7696 million 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 million 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.

At the 28th meeting of the 4th Board of Directors as well as the 22nd meeting of the 4th Supervisory Committee held on May 26,2025, the company reviewed and approved the Proposal on the Grant of Reserved Restricted Shares to the Grantees under the Company's 2023 Restricted Share Incentive Plan. Additionally, the company determined May 26, 2025 as the reserved grant date and granted 21 eligible grantees with 2 million restricted shares at the price of RMB2.28 per share.

11. SHARE-BASED PAYMENT (Continued)

11.1 Overview of Share-based Payment (Continued)

Restricted Share Incentive Plan: (Continued)

On June 16, 2025, the company completed the registration on reserving and granting restricted shares under the company's 2023 incentive plan with China Securities Depository and Clearing Corporation Limited Shanghai Branch. The company granted 2,000,000 reserved restricted shares in this grant, representing 6.95% of the total reserved restricted shares granted and 0.07% of the company's total share capital before the grant.

The incentive plan about the grant of reserved restricted shares covers 21 grantees, including the management and core technical(operational) employees as of the date of the Company's announcement of this plan. The excluded parties contains the head of central SOEs under the administration of the Party Committee of SASAC, as well as the Company's independent directors, external directors, supervisors, and shareholders who individually or collectively hold more than 5% of the Company's shares, or the actual controller and their spouse, parents, and children. Under the eligible of the relevant performance assessment targets among the above-mentioned grantees, the restricted share lock-up period and the schedule for each tranche of release under this Incentive Plan are set in the table below:

Release Schedule	Release Date	Proportion of restricted shares eligible for release to total granted shares
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%

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.
Significant Inputs used in Measuring the Fair Value of equity instruments granted	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: 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 by the performance conditions and estimated attrition rate in each release period.
Reasons for significant differences between estimates for current and prior period.	Inapplicable
Cumulative amount of equity-settled share-based payments recognized in capital reserves.	39,731

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	9,721	–
Total	9,721	–

12. COMMITMENTS AND CONTINGENCIES

12.1 Significant commitments

The Company and Yunnan Transportation Investment Construction Group Co., Ltd. ("Yunnan Transportation Investment") jointly formed a private sector consortium 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"), constructing and operating relative expressways under PPP mode. The shareholding among the Company, Yunnan Transportation Investment and the investment entity designated by the local government for the three PPP project companies was 30%, 40% and 30% respectively.

The capital structure of each project company is as follow:

The investment entities designated by local government contributed 30% of total project investment (of which RMB30 million is treated as registered capital and the remainder is treated as capital reserves). The Company and Yunnan Transportation Investment contributed RMB30 million and RMB40 million respectively as subscribed registered capital.

Meanwhile, the relative proportion of shareholding between the Company and Yunnan Transportation Investment (3:4) provides enhancement for credits in relation to the difference between total investment and equity capital in project companies. The Company is required to contribute 42.86%, while the investment entity designated by Yunnan Communications Investment Group is required to contribute 57.14%. The shareholders are obligated to provide funding for the project companies' working capital shortfall during the operating period, in proportion to their respective shareholdings.

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 commitment for shortfall compensation. After the negotiation with relevant creditors, the letter should be signed up with the creditors respectively within the range of the above credit limits.

As of the date of financial statement, the actual status for issuing the letter of commitment for shortfall compensation and providing credit enhancement by the Company is as follows:

Ningyong Expressway was granted with credit line of RMB11 billion by the bank, and the Company provided a letter of commitment for shortfall compensation in a 42.86% proportion for the RMB9.347 billion of the credit line. The loans actually disbursed by the bank were RMB8.46 billion, of which RMB3.614 billion were supported by the credit enhancement from the Company.

12. COMMITMENTS AND CONTINGENCIES (Continued)

12.1 Significant commitments (Continued)

Linyun Expressway was granted with credit line of RMB10.1 billion by the bank, and the Company provided a letter of commitment for shortfall compensation in a 42.86% proportion for the RMB6 billion of the credit line. The loans actually disbursed by the bank were RMB6.324 billion, of which RMB2.691 billion were supported by the credit enhancement from the Company.

Linshuang Expressway was granted with credit line of RMB9.9 billion by the bank, and the Company provided a letter of commitment for shortfall compensation in a 42.86% proportion for the RMB4.323 billion of the credit line. The loans actually disbursed by the bank were RMB4.323 billion, of which RMB1.840 billion were supported by the credit enhancement from the Company.

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
Jiuye Construction Co., Ltd.	Xi'an University of Technology	Construction project contract disputes	22,294.16	The case is currently in the first instance proceedings.
China Aluminum International (Tianjin) Construction Co., Ltd.	Henan Longcheng Venture Development Co., Ltd. Anyang Longkang Supply Chain Management Co., Ltd. Henan Longxing Development Co., Ltd.	Construction project contract disputes	14,679.45	The case is currently in the first instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Ruzhou Xinyuan Investment Co., Ltd.	Construction project contract disputes	12,636.72	The case is currently in the first instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Guizhou Qiya Aluminum Co., Ltd. Qiya Group Co., Ltd.	Construction project contract disputes	11,825.21	The case is currently in the first instance proceedings.

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
Jiuye Construction Co., Ltd.	Baotou Indemnificatory Housing Development And Construction Investment Co., Ltd.	Construction project contract disputes	10,075.06	The case is currently in the first instance proceedings.
Jiuye Construction Co., Ltd.	Shanghai Baoxian Industrial Co., Ltd.	Construction project contract disputes	9,797.23	The case is currently in the first instance proceedings.
China Nonferrous Twelfth Metallurgical Construction Co., Ltd.	Shenyang Xinyijiang Real Estate Development Co., Ltd. Shenyang Huanggu District Development and Construction Office	Construction project contract disputes	9,579.25	The case is currently in the first instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Weishi Ruilong Real Estate Co., Ltd. Henan Hongyu Real Estate Co., Ltd.	Construction Project Contract Disputes	9,014.48	The case is currently in the first instance proceedings.
China Nonferrous Twelfth Metallurgical Construction Co., Ltd.	Shanxi Zhongzi Yuansheng Real Estate Co., Ltd.	Construction project contract disputes	7,802.00	The case is currently in the first instance proceedings.
Shenyang Aluminum & Magnesium Design & Research Institute Co., Ltd.	Panjin Hetai Real Estate Development Co., Ltd.	Construction project contract disputes	7,710.49	The case is currently in the second instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Guizhou Macro Fiscal Investment Group Co., Ltd. Guizhou Hongcai Property Service Co., Ltd. Guizhou Hongcai Real Estate Development Co., Ltd.	Construction project contract disputes	7,361.68	The case is currently in the first instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Xincai County Urban Construction Investment Group Co., Ltd.	Construction project contract disputes	6,200.25	The case is currently in the first instance proceedings.

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
East-China Construction Engineering Group Corporation of CNNC	China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	17,599.91	The case is currently in the first instance proceedings.
Shaanxi Fulin Construction and Development Co., Ltd.	Jiuye Construction Co., Ltd.	Construction project contract disputes	17,354.00	The case is currently in the first instance proceedings.
Yunnan Chengsu Construction Engineering Co., Ltd.	China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd. Guizhou Qiya Aluminum Co., Ltd. Qiya Group Co., Ltd.	Construction project contract disputes	10,890.79	The case is currently in the first instance proceedings.
Guizhou Xinyuankun Construction Co., Ltd.	China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd. Guizhou Qingshui Jiangcheng Investment Group Co., Ltd.	Construction project contract disputes	9,607.20	The case is currently in the first instance proceedings.
Wenzhou Binhai New Rural Construction Investment Co., Ltd.	China Aluminum International Engineering Corporation Limited China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	8,749.23	The case is currently in the first instance proceedings.
Zhongtian Road & Bridge Co., Ltd.	China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	7,908.00	The case is currently in the first instance proceedings.
Jiangxi GEO-ENGINEERING Group Corporation Limited	China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	7,884.20	The case is currently in the first instance proceedings.
Xu Lin	China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. Guizhou Gui'an New Area Management Committee	Construction project contract disputes	5,778.87	The case is currently in the second instance proceedings.

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 30 June 2026, the Company provided guarantees for the following loans:

Name of the guaranteed entity	Guarantee	Amount	Period	Remarks
Yunnan Ningyong Expressway Co., Ltd.	Loan guarantee	3,613,625	2049-04-20	–
Yunnan Linyun Expressway Co., Ltd.	Loan guarantee	2,690,980	2048-12-31	–
Yunnan Linshuang Expressway Co., Ltd.	Loan guarantee	1,839,752	2046-12-31	–
Mian County Urban Rural Infrastructure Construction Co., Ltd	Loan guarantee	4,525	2027-10-19	–
Total	–	8,148,882	–	–

13. POST BALANCE SHEET DATE EVENTS

As at 13 August 2026, the Company has no events after the balance sheet date to be disclosed.

14. OTHER SIGNIFICANT MATTERS

14.1 Important debt restructuring

(1) Disclosure of information relating to debtors

Debt restructuring method	Carrying Amount of debts	Gain on debt restructuring	Increase in share capital and other equity
Settlement of debt with cash at an amount lower than the carrying amount of the debt	15,566	4,757	–

(2) Disclosure of information relating to creditors

Types of Debt Restructuring	Carrying Amount of Claims	Losses on Debt Restructuring	Increase in Long-term Equity Investments or Equity Instrument Investments	Proportion of the Debtor's Total Shares Held
Settlement of claims with cash at an amount lower than the carrying amount of the claims	3,700	–87	–	–
Settlement of claims by receiving non-cash assets	–	3,951	–	–

14. OTHER SIGNIFICANT MATTERS (Continued)

14.2 Segment reporting

For management purposes, the Company is organized into business units based on products and services with three reportable segments:

(1) The Design and Consulting business segment, primarily covers engineering design and engineering survey in the mining, mineral processing, energy, chemical, and environmental protection industries;

(2) The EPC General Contracting and Construction business segment, primarily covers the metallurgical industry, municipal public utilities, steel structures, and other related fields;

(3) The Equipment Manufacturing business segment, primarily covers customized core metallurgical and processing equipment, environmental protection equipment, mechanical and electronic equipment, industrial automation systems, as well as mine safety monitoring and emergency intelligent systems.

Item	Design and Consulting At the end of current period	EPC project general contracting and construction At the end of current period	Equipment manufacturing At the end of current period	Total At the end of current period
Operating revenue	636,845	7,529,905	881,150	9,047,900
Operating costs	419,239	6,617,795	693,214	7,730,248
Impairment losses on assets	–594	16,957	13,361	29,724
Impairment of credit losses	2,975	–59,320	–43,182	–99,527
Operating profit/(losses)	137,968	–28,357	105,490	215,101
Profit/(losses) before income tax	140,556	–23,879	104,804	221,481
Income tax expenses	20,718	49,450	5,976	76,144
Net profit/(losses)	119,838	–73,329	98,828	145,337
Total assets	2,519,567	34,081,804	3,962,275	40,563,646
Total liabilities	963,356	27,492,508	2,878,890	31,334,754
Depreciation expense	22,959	69,449	22,483	114,891
Amortization expense	3,015	20,011	6,952	29,978

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	30 June 2026 (Unaudited) Gross carrying amount	30 June 2026 (Unaudited) Impairment of credit losses	31 December 2025 Gross carrying amount	31 December 2025 Impairment of credit losses
Within 1 year	428,803	390	539,911	1,122
1 to 2 years	293,782	56,228	159,395	13,218
2 to 3 years	45,176	405	190,949	32,809
More than 3 years	826,228	397,535	835,767	423,765
Total	1,593,989	454,558	1,726,022	470,914

(2) Accounts receivable and impairment of credit losses by category are listed as follows:

	30 June 2026 (Unaudited)				
	Gross carrying amount		Impairment of credit losses		
Type	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	717,303	45.00	402,378	56.10	314,925
Impairment of credit losses on group basis	876,686	55.00	52,180	5.95	824,506
Including:					
Aging group	203,869	13.00	52,180	25.59	151,689
Related parties within the consolidation scope of the Company	672,817	42.00	–	–	672,817
Total	1,593,989	100.00	454,558	28.52	1,139,431

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)

	31 December 2025				
	Gross carrying amount		Impairment of credit losses		
Type	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	742,316	43.00	413,291	55.68	329,025
Impairment of credit losses on group basis	983,706	57.00	57,623	5.86	926,083
Including:					
Aging group	356,862	20.68	57,623	16.15	299,239
Related parties within the consolidation scope of the Company	626,844	36.32	–	–	626,844
Total	1,726,022	100.00	470,914	27.28	1,255,108

Impairment of credit losses on an individual basis:

	30 June 2026 (Unaudited)			
Name	**Gross carrying amount**	**Impairment of credit losses**	**Expected credit loss rate (%)**	**Reasons**
Company 1	**460,053**	**276,032**	**60.00**	**Note**
Company 35	**135,139**	**48,378**	**35.80**	**Note**
Company 36	**76,340**	**32,197**	**42.18**	**Note**
Company 37	**31,454**	**31,454**	**100.00**	**Note**
Company 38	**14,317**	**14,317**	**100.00**	**Note**
Total	**717,303**	**402,378**	**56.10**	**–**

Note: The Company accruals impairment of credit losses for all or a portion of the amounts in conjunction with their expected recoverability.

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)

Accounts receivable for which bad debt provision is made on collective basis are listed follows:

Aging Group for Collective Provision

Aging	30 June 2026 (Unaudited) Gross carrying amount Amount	Percentage (%)	Provision for bad debts	31 December 2025 Gross carrying amount Amount	Percentage (%)	Provision for bad debts
Within 1 year	77,934	38.23	390	224,314	62.86	1,121
1 to 2 years	79,962	39.22	7,850	81,457	22.83	8,146
2 to 3 years	2,178	1.07	405	1,983	0.56	397
More than 3 years	43,795	21.48	43,535	49,108	13.76	47,959
Total	203,869	100.00	52,180	356,862	100.00	57,623

(3) Movements in impairment of credit losses for accounts receivable are listed as follows:

Item	1 January 2026	Movement Accrued	Recover/ reverse (Decrease)	Written off (Decrease)	Others	30 June 2026 (Unaudited)
Individual basis	413,291	–	–	–	–10,913	402,378
Group:	57,623	–5,443	–	–	–	52,180
Portfolio of credit risk characteristics	57,623	–5,443	–	–	–	52,180
Total	470,914	–5,443	–	–	–10,913	454,558

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.1 Accounts receivable (Continued)

(4) 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	504,642	31.66	280,491
Company 39	200,270	12.56	–
Company 40	173,127	10.86	–
Company 41	136,890	8.59	–
Company 35	135,139	8.48	48,378
Total	1,150,068	72.15	328,869

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables

Item	30 June 2026 (Unaudited)	31 December 2025
Interests receivable	349,921	351,190
Dividends receivable	628,288	494,525
Other receivables	5,266,107	5,622,260
Less: Bad debt provision	33,082	33,173
Total	6,211,234	6,434,802

(1) Interests receivable

Item	30 June 2026 (Unaudited)	31 December 2025
Entrusted loans	349,921	351,190
Subtotal	349,921	351,190
Less: Bad debt provision	–	–
Total	349,921	351,190

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables (Continued)

(2) Dividends receivable

Investee	30 June 2026 (Unaudited)	1 January 2026	Reasons for non-recovery	Whether impairment has occurred and the basis for such judgment
Dividends receivable within 1 year	145,687	11,924	–	–
Including:				
(1) China Nonferrous Metals Processing Technology CO.,LTD	–	11,924	Not paid yet	No
(2) Jiuye Construction Co., Ltd.	14,725	–	Not paid yet	No
(3) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	28,552	–	Not paid yet	No
(4) CINF Engineering Co., Ltd.	71,877	–	Not paid yet	No
(5) Kunming prospecting design institute of China nonferrous metals industry Co., Ltd.	30,533	–	Not paid yet	No

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables (Continued)

(2) Dividends receivable (Continued)

Investee	30 June 2026 (Unaudited)	1 January 2026	Reasons for non-recovery	Whether impairment has occurred and the basis for such judgment
Dividends receivable more than 1 year	482,601	482,601	–	–
Including:				
(1) China Nonferrous Metal Changsha Survey and Design Institute Co., Ltd.	15,899	15,899	Not paid yet	No
(2) Jiuye Construction Co., Ltd.	144,168	144,168	Not paid yet	No
(3) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	22,660	22,660	Not paid yet	No
(4) CINF Engineering Co., Ltd.	30,014	30,014	Not paid yet	No
(5) Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	38,990	38,990	Not paid yet	No
(6) China Sixth Metallurgical Construction Co., Ltd.	185,870	185,870	Not paid yet	No
(7) China Aluminum International Technology Development Corporation Limited	45,000	45,000	Not paid yet	No
Subtotal	628,288	494,525	–	–
Less: Impairment of credit losses	–	–	–	–
Total	628,288	494,525	–	–

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables (Continued)

(3) Other receivables

An aging analysis of other receivables is listed as follows:

Aging	30 June 2026 (Unaudited)	Impairment of credit losses	31 December 2025	Impairment of credit losses
Within 1 year	4,942,439	22,579	5,229,676	22,555
1 to 2 years	140,940	163	141,634	248
2 to 3 years	55,953	140	56,199	140
More than 3 years	126,775	10,200	194,751	10,230
Total	5,266,107	33,082	5,622,260	33,173

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

Other receivables and impairment of credit losses by category are listed as follows:

Classified by impairment of credit losses method:

	30 June 2026 (Unaudited)				
	Gross carrying amount		Impairment of credit losses		
Type	**Amount**	**Percentage (%)**	**Amount**	**Expected credit loss rate (%)**	**Carrying amount**
Impairment of credit losses on an individual basis	**90,236**	**1.71**	**22,569**	**25.01**	**67,667**
Impairment of credit losses on group basis	**5,175,871**	**98.29**	**10,513**	**0.20**	**5,165,358**
Including:					
Aging group	**27,658**	**0.53**	**10,513**	**38.01**	**17,145**
Accounts receivable from subsidiaries	**5,148,213**	**97.76**	**–**	**–**	**5,148,213**
Total	**5,266,107**	**100.00**	**33,082**	**0.63**	**5,233,025**

	31 December 2025				
	Gross carrying amount		Impairment of credit losses		
Type	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	90,223	1.60	22,556	25.00	67,667
Impairment of credit losses on group basis	5,532,037	98.40	10,617	0.19	5,521,420
Including:					
Aging group	26,345	0.47	10,617	40.30	15,728
Accounts receivable from subsidiaries	5,505,692	97.93	–	–	5,505,692
Total	5,622,260	100.00	33,173	0.59	5,589,087

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

Impairment of credit losses on group basis:

Grouped items: Aging group

	30 June 2026 (Unaudited)			31 December 2025		
	Gross carrying amount	Percentage (%)	Impairment of credit losses	Gross carrying amount	Percentage (%)	Impairment of credit losses
Within 1 year	8,288	29.97	41	6,118	23.23	30
1 to 2 years	1,366	4.94	137	2,219	8.42	222
2 to 3 years	675	2.44	135	675	2.56	135
More than 3 years	17,329	62.65	10,199	17,333	65.79	10,230
Total	27,658	100.00	10,512	26,345	100.00	10,617

Grouped items: Other receivables from subsidiaries

	30 June 2026 (Unaudited)		31 December 2025	
Item	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Amounts due from entities within the consolidation scope of the Company	5,148,213	–	5,505,692	–
Total	5,148,213	–	5,505,692	–

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

① Impairment of credit losses

Impairment of credit losses in the first stage as at 30 June 2026

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	4,852,327	–	41	4,852,286
Aging group	8,288	0.50	41	8,247
Related parties within the consolidation scope of CHALIECO	4,844,039	–	–	4,844,039
Total	4,852,327	–	41	4,852,286

Impairment of credit losses in the second stage as at 30 June 2026

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	196,769	0.14	272	196,497
Aging group	2,041	13.33	272	1,769
Related parties within the consolidation scope of CHALIECO	194,728	–	–	194,728
Total	196,769	0.14	272	196,497

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

① Impairment of credit losses (Continued)

Impairment of credit losses in the third stage as at 30 June 2026

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	90,236	25.01	22,569	67,667
Impairment of credit losses on group basis	126,775	8.05	10,200	116,575
Aging group	17,329	58.86	10,200	7,129
Related parties within the consolidation scope of CHALIECO	109,446	–	–	109,446
Total	217,011	15.10	32,769	184,242

Impairment of credit losses in the first stage as at 31 December 2025

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	5,139,452	–	30	5,139,422
Aging group	6,118	0.50	30	6,088
Related parties within the consolidation scope of CHALIECO	5,133,334	–	–	5,133,334
Total	5,139,452	0.27	30	5,139,422

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

① Impairment of credit losses (Continued)

Impairment of credit losses in the second stage as at 31 December 2025

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	197,834	0.18	357	197,477
Aging group	2,894	12.34	357	2,537
Related parties within the consolidation scope of CHALIECO	194,940	–	–	194,940
Total	197,834	0.18	357	197,477

Impairment of credit losses in the third stage as at 31 December 2025

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	194,751	5.25	10.230	184,521
Aging group	17,333	59.02	10,230	7,103
Related parties within the consolidation scope of CHALIECO	177,418	–	–	177,418
Total	284,974	11.50	32,786	252,188

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

② 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 1 January 2026	30	357	32,786	33,173
Balance as at 1 January 2026 in the current period	–7	–3,459	3,466	–
– Transfer to Stage II	–7	7	–	–
– Transfer to Stage III	–	–3,466	3,466	–
Additions	18	3,374	–3,483	–91
Balance as at 30 June 2026	41	272	32,769	33,082

③ As at 30 June 2026, 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
China Sixth Metallurgical Construction Co., Ltd.	Advance	298,393	Within 1 year; 1-2 years; 3-4 years; 4-5 years; more than 5 years	6.02	–
Aluminum Corporation of China Hong Kong Co., Ltd.	Advance	118,529	Within 1 year; 1-2 years	2.39	–
China Aluminum Great Wall Construction Company Limited	Advance	90,223	Within 1 year; 1-2 years; 3-4 years; 4-5 years	1.82	22,556
China Nonferrous Metals Industry's 12th Metallurgical (Indonesia) Co., Ltd.	Advance	69,213	Within 1 year; 1-2 years	1.40	–
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	Advance	50,943	Within 1 year; 3-4 years	1.03	–
Total	–	627,301	–	12.66	22,556

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.3 Long-term equity investments

Item	1 January 2026	Additions for the period	Reductions for the period	30 June 2026 (Unaudited)
Investment in subsidiaries	9,152,813	8,173	20,000	9,140,986
Investment in joint ventures	8,719	–	29	8,690
Investment in associates	187,196	–	11,695	175,501
Subtotal	9,348,728	8,173	31,724	9,325,177
Less: Impairment provision	387,947	–	–	387,947
Total	8,960,781	8,173	31,724	8,937,230

(1) Investment in subsidiaries

Investee	1 January 2026	Additions for the period	Reductions for the period	30 June 2026 (Unaudited)	Impairment provision in the current period	Impairment provision Closing balance
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	654,567	914	–	655,481	–	–
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	355,156	957	–	356,113	–	–
CINF Engineering Co., Ltd.	581,512	1,410	–	582,922	–	–
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	2,962,936	1,051	–	2,963,987	–	–
China Aluminum International Engineering Equipment Co., Ltd.	200,000	–	–	200,000	–	200,000
China Sixth Metallurgical Construction Co., Ltd.	1,205,812	930	–	1,206,742	–	–
China Nonferrous Metals Processing Technology Co., Ltd.	723,252	934	–	724,186	–	–
China Aluminum International Technology Development Corporation Limited	60,000	–	–	60,000	–	–
Wenzhou Tongrun Construction Co., Ltd.	600	–	–	600	–	–
Chalieco Hong Kong Corporation Limited	65,572	–	–	65,572	–	–

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 2026	Additions for the period	Reductions for the period	30 June 2026 (Unaudited)	Impairment provision in the current period	Impairment provision Closing balance
China Aluminum International Engineering (India) Private Limited	5,942	–	–	5,942	–	–
Jiuye Construction Co., Ltd.	1,024,191	322	–	1,024,513	–	–
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	488,526	234	–	488,760	–	187,947
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	366,475	983	–	367,458	–	–
Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	91,011	306	20,000	71,317	–	–
Chinalco Southwest Construction Investment Co., Ltd.	213,619	132	–	213,751	–	–
Chalieco Guinea Co., Ltd.	71	–	–	71	–	–
Chalieco Guinea Development Co., Ltd.	71	–	–	71	–	–
Total	9,152,813	8,173	20,000	9,140,986	–	387,947

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.3 Long-term equity investments (Continued)

(2) Investment in joint ventures & associates

Investee	Investment cost	1 January 2026	Movements during the six months ended 30 June 2026: Increase in investment	Decrease in investment	Investment gain or loss recognized under equity method	OCI	Other equity movements	Cash dividends or profits declared	Loss allowance	Others	30 June 2026 (Unaudited)	Impairment provision Closing balance
(1) Joint venture	40,000	8,719	–	–	-29	–	–	–	–	–	8,690	–
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	40,000	8,719	–	–	-29	–	–	–	–	–	8,690	–
(2) Associates	234,836	187,196	–	–	-11,695	–	–	–	–	–	175,501	–
Chinalco Shituo Intelligent Technology Co., Ltd.	18,000	–	–	–	–	–	–	–	–	–	–	–
Yunnan Ningyong Expressway Co., Ltd.	15,000	–	–	–	–	–	–	–	–	–	–	–
Yunnan Linyun Expressway Co., Ltd.	15,000	–	–	–	–	–	–	–	–	–	–	–
Yunnan Linshuang Expressway Co., Ltd.	15,000	12,364	–	–	-12,364	–	–	–	–	–	–	–
Zhuzhou Tianqiao Crane Co., Ltd	171,836	174,832	–	–	669	–	–	–	–	–	175,501	–
Total	274,836	195,915	–	–	-11,724	–	–	–	–	–	184,191	–

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15.4 Operating revenue and operating costs

Major segments	Amount incurred in the current period (Unaudited)		Amount incurred in the previous period (Unaudited)	
	Revenue	**Costs**	Revenue	Costs
Principal activities:				
EPC project general contracting and construction	**335,469**	**278,364**	360,267	322,580
Design consulting	**143,720**	**65,061**	69,434	52,616
Equipment manufacturing	**–**	**–**	–	–
Subtotal	**479,189**	**343,425**	429,701	375,196
Other operating activities:				
Sales of Materials	**2,132**	**–**	–	–
Lease	**176**	**234**	–	–
Property Sales	**3,936**	**3,474**	–	–
Others	**5,815**	**2,782**	13,747	1,090
Subtotal	**12,059**	**6,490**	13,747	1,090
Total	**491,248**	**349,915**	443,448	376,286

15.5 Investment income

Item	Amount incurred in the current period (Unaudited)	Amount incurred in the previous period (Unaudited)
Gain on long-term equity investment accounted for under the cost method	**130,962**	119,737
Gain on long-term equity investment accounted for under the equity method	**–11,725**	12,694
Investment income arising from disposal of long-term equity investments	**–**	–
Interest on Perpetual Bonds	**28,627**	55,176
Others	**36,439**	38,616
Total	**184,303**	226,223

16. SUPPLEMENTARY INFORMATION

16.1 Breakdown of non-recurring profit and loss for the period

Item	Amount incurred in the current period (Unaudited)	Remarks
Gain or loss on disposal of non-current assets	–895	–
Government subsidies recorded in current P&L (except government subsidies closely rated to business operations granted continuously in a fixed amount or quota according to the unified national standards)	4,323	–
Except for effective hedging transactions related to the Company's ordinary business operations, gains and losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains and losses arising from the disposal of such financial assets and financial liabilities	–398	–
Financing fee from non-financial enterprises recorded in profit or loss	162	–
Reversal of impairment of credit losses for receivables and contract assets tested for impairment on an individual basis	21,248	–
Gains or losses on debt restructuring	8,632	–
Other non-operating income and expenses other than above items	5,996	–
Other profit and loss items correspond with the definition of non-recurring gains and losses	–	–
Total non-recurring profit and loss	39,068	–
Less: The impact of income tax	5,746	–
Net non-recurring profit and loss	33,322	–
Less: The impact on non-controlling interests	5,614	–
Non-recurring profit and loss attributable to ordinary shareholders of the company	27,708	–

16. SUPPLEMENTARY INFORMATION (Continued)

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	2.10	0.0212	0.0212
Net profit attributable to ordinary shareholders net of non-recurring gain or loss	1.18	0.0120	0.0120

China Aluminum International Engineering Corporation Limited
13 August 2026