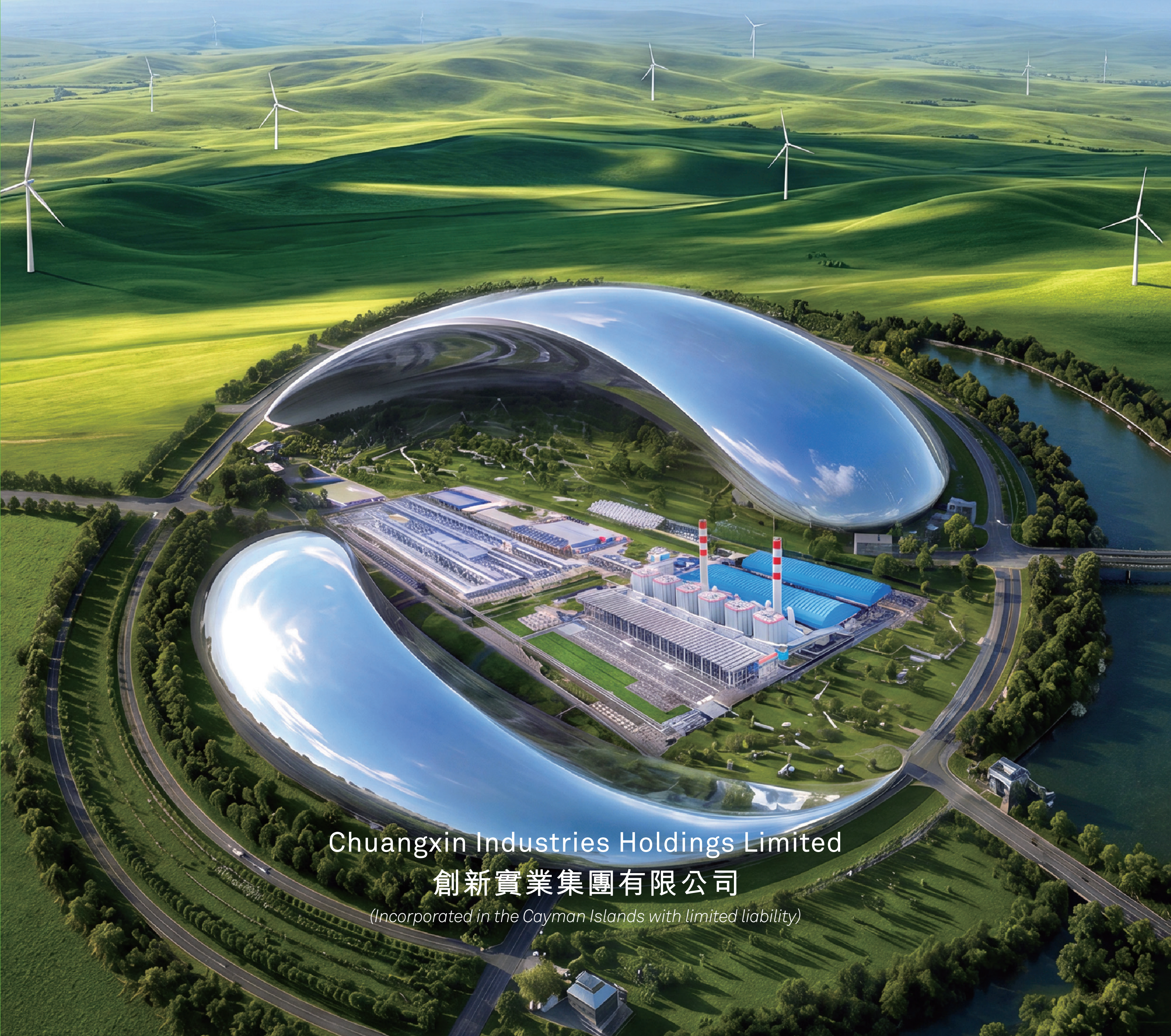
創新實業
CHUANGXIN INDUSTRIES

2026
INTERIM REPORT

Stock Code 02788



Chuangxin Industries Holdings Limited
創新實業集團有限公司
(Incorporated in the Cayman Islands with limited liability)

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Chairman of the Board and Non-executive Director

Mr. Cui Lixin (崔立新先生)

Executive Directors

Mr. Cao Yong (曹勇先生)
Mr. Zhang Jianxiang (張建鄉先生)
Ms. Zhang Yue (張悅女士)
Mr. Fu Qian (伏騫先生)

Independent non-executive Directors

Mr. Liu Yanzhao (劉言昭先生)
Ms. Zheng Juan (鄭娟女士)
Ms. Shen Lingyan (申凌燕女士)

AUDIT COMMITTEE

Mr. Liu Yanzhao (劉言昭先生) *(Chairman)*
Mr. Cui Lixin (崔立新先生)
Ms. Shen Lingyan (申凌燕女士)

NOMINATION COMMITTEE

Ms. Shen Lingyan (申凌燕女士) *(Chairperson)*
Mr. Cui Lixin (崔立新先生)
Ms. Zheng Juan (鄭娟女士)

REMUNERATION COMMITTEE

Ms. Zheng Juan (鄭娟女士) *(Chairperson)*
Mr. Liu Yanzhao (劉言昭先生)
Ms. Shen Lingyan (申凌燕女士)

CONNECTED TRANSACTION CONTROL COMMITTEE

Mr. Liu Yanzhao (劉言昭先生) *(Chairman)*
Mr. Zhang Jianxiang (張建鄉先生)
Ms. Zheng Juan (鄭娟女士)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Cao Yong (曹勇先生) *(Chairman)*
Mr. Zhang Jianxiang (張建鄉先生)
Ms. Shen Lingyan (申凌燕女士)
Mr. Guo Wei (郭偉先生)

AUTHORIZED REPRESENTATIVES

Mr. Zhang Jianxiang (張建鄉先生)
Ms. Wong Hoi Ting (黃凱婷女士)

JOINT COMPANY SECRETARIES

Mr. Zhang Jianxiang (張建鄉先生)
Ms. Wong Hoi Ting (黃凱婷女士)

AUDITOR

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Certified Public Accountants
Registered Public Interest Entity Auditor
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PRC

COMPANY'S WEBSITE

www.innovationigi.com

STOCK CODE

02788

Financial Highlights

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Revenue	**11,533,010**	8,709,162
Gross profit	**3,999,702**	1,721,899
Gross profit margin	**34.7%**	19.8%
Profit before income tax	**3,550,775**	1,179,412
Net profit attributable to the owners of the Company	**2,304,502**	865,867
Net profit margin	**20.1%**	11.2%
Basic earnings per share (RMB)	**1.11**	0.58

	As at June 30, 2026 RMB'000	2025 RMB'000
Total assets	**30,714,607**	21,765,124
Equity	**10,572,283**	3,297,549
Total liabilities	**20,142,324**	18,467,575
Return on assets	**7.9%**	4.8%
Accounts receivable turnover days (days)	**3.2**	1.2
Inventory turnover days (days)	**58.4**	50.0
Accounts payable turnover days (days)	**35.6**	34.1

Chairman's Statement

Dear Shareholders,

Looking back on the first half of 2026, the global aluminum industry maintained its high prosperity. Amid ongoing industry development, we have reviewed the Company's long-term development path. On behalf of the Board of Directors of Chuangxin Industries, I would like to extend my sincere gratitude to our friends from all walks of life who have accompanied us, as well as to all employees who have remained steadfast in their dedication to us.

Over the past six months, the global electrolytic aluminum market has shown a clear divergence between domestic and overseas trends. Domestic electrolytic aluminum supply growth has been constrained by production capacity caps, and the industry has maintained high operating rates. In overseas markets, however, multiple core aluminum plants have been forced into concentrated production cuts and shutdowns, weighed down by the twin headwinds of geopolitical conflicts in the Middle East and persistently high electricity costs. Consequently, a structural misalignment has emerged in the global market, characterized by a severe supply gap overseas and strong production but weak demand domestically, an overall upward shift in aluminum baseline price and industry profitability to historic highs. Amid cyclical volatility, the market has once again validated a fundamental truth: short-term market trends are driven by supply-and-demand disruptions, while long-term value is determined by a company's underlying competitiveness. Since our inception, we have focused on the core business of low-cost, integrated aluminum production, establishing a full-chain industrial layout encompassing "energy – alumina – electrolytic aluminum". This comprehensive system serves as the cornerstone of our ability to withstand industry fluctuations and achieve stable profitability.

Leveraging the ample coal resources available in Inner Mongolia, we have built our captive power plants, firmly securing a competitive edge in power costs. Concurrently, the Company continues investing in the wind and solar green electricity layout, with the proportion of green energy usage expected to exceed 50%, further reducing its electricity costs. We have also further increased our control over alumina plants, expanding a fully self-controlled, robust and efficient industrial chain to safeguard the Company's upstream alumina supply and significantly hedge against its operational shocks caused by significant volatility in alumina prices. The industrial chain has been further extended upstream through the acquisition of coal mining companies, stabilizing coal supply and ensuring a steady and reliable power supply for the Company. An integrated "wind – solar – thermal, coal – electricity – aluminum" industrial chain was comprehensively established, strengthening its risk resilience and building a cost moat that is rarely seen in the industry.

We are not content with merely being a high-quality domestic aluminum enterprise, and we are also opening up a second growth curve through our global expansion. The Company has invested in a 500,000-ton integrated electrolytic aluminum industrial chain project in Saudi Arabia ("**Saudi**"). By deeply integrating its mature domestic smelting technology and industrial chain operational capabilities with low-cost energy resources overseas, we facilitate the steady advancement of the project. Once the project is fully operational, the Company's total annual electrolytic aluminum production capacity will realize a significant leap, and its resilience to economic cycles through globalization operations will also be substantially enhanced, laying a solid foundation for the Company to secure a more favorable position amid the reshaping of the global aluminum industry layout.

Chairman's Statement

We remain steadfast in our long-termism, refraining from chasing short-term market speculation and focusing instead on honing our core capabilities across the industrial chain. We are committed to openness and mutual benefit, working with global upstream and downstream partners to build a stable supply chain system. We are dedicated to a green and low-carbon transition, fulfilling the industry's mission of low-carbon development through an integrated "wind, solar, and storage" layout.

We would like to thank all our Shareholders for their long-standing trust, for accompanying us in navigating industry cycles and in our expansion into new global business. We thank all our frontline employees for their steadfast dedication to production and their hard work on overseas projects, forging the Company's core competitiveness through their tireless efforts. We thank our partners from all sectors for joining hands with us to navigate global market volatility and explore new development opportunities in the aluminum industry.

Looking ahead, Chuangxin Industries will leverage its integrated cost moat to continuously strengthen its business fundamentals; use the Saudi Project as a pivot to drive a new layout in globalization expansion; and focus on its long-term value objectives through green and low-carbon development. We are committed to building a top-tier green aluminum industry group equipped with core cost advantages and a balanced globalization layout, joining hands with all our companions to embark on a new journey of high-quality development in the industry!

Chuangxin Industries Holdings Limited
Cui Lixin
Chairman of the Board and Non-executive Director

Management Discussion and Analysis

INDUSTRY OVERVIEW

In the first half of 2026, geopolitical conflicts in the Middle East disrupted maritime transport, drove up energy costs and caused production cuts of key metals such as aluminum. Coupled with the growing rigid demand for AI and new energy, and a long-term shortage in the global mineral supply, multiple factors collectively pushed up non-ferrous metal prices and kept geopolitical risk premiums elevated. Overall, non-ferrous metal prices rose significantly amid sharp fluctuations in the first half of 2026.

Price trends in the domestic and overseas electrolytic aluminum markets

In the first half of 2026, London Metal Exchange aluminum futures ("**LME aluminum**") generally showed a trend of wide fluctuations at high levels, surging before retreating. Affected by geopolitical tensions between the United States and Venezuela, Greenland, and the Middle East, overseas aluminum supply contracted and inventories declined, while rising energy costs provided support for aluminum prices. According to Antaike, the average prices of spot-month and three-month aluminum future on the London Metal Exchange were USD3,382 per ton and USD3,357 per ton, respectively, in the first half of 2026, representing year-on-year increases of 33.2% and 31.9%, respectively.

The prices of Shanghai Futures Exchange aluminum futures contracts moved in line with the prices of LME aluminum in the first quarter of 2026. From mid-April, the trends of domestic and overseas markets began to diverge, with the pattern of stronger overseas markets and weaker domestic markets becoming increasingly pronounced. According to Antaike, the average prices of spot-month and three-month aluminum future on the Shanghai Futures Exchange were RMB24,254 per ton and RMB24,413 per ton, respectively, in the first half of 2026, representing year-on-year increases of 19.4% and 20.7%, respectively.

Domestic and overseas production and consumption of electrolytic aluminum

Due to factors such as the continuous advancement in electrolysis technology, China's electrolytic aluminum output has increased to a certain extent, while consumption has shown only a slight growth trend. According to Antaike's estimates, in the first half of 2026, China's electrolytic aluminum output was approximately 22.34 million tons, representing a year-on-year increase of 2.2%; net imports were approximately 1.19 million tons, representing a year-on-year increase of 2.8%; and consumption was approximately 23.08 million tons, representing a year-on-year increase of 0.4%.

Although there were new investments and production increases in other overseas regions in the first half of 2026, they were still insufficient to offset the output decline caused by the capacity contraction in the Middle East, resulting in a widening supply gap for overseas electrolytic aluminum. According to Antaike's estimates, in the first half of 2026, overseas electrolytic aluminum output was approximately 14.30 million tons, representing a year-on-year decrease of 2.1%; consumption was approximately 13.81 million tons, representing a year-on-year increase of 0.4%. According to Antaike, after taking into account the import and export of electrolytic aluminum, the overseas market supply shortage was 700,000 tons.

Price trends in the alumina market

Alumina prices in the first half of 2026 gradually recovered after hitting a bottom low at the beginning of the year, and subsequently experienced wide fluctuations amid supply disruptions and geopolitical conflicts. According to Antaike, the average domestic spot price of alumina was approximately RMB2,705 per ton in the first half of 2026, representing a year-on-year decrease of 21.8%; the average overseas spot price of alumina was approximately USD307 per ton, representing a year-on-year decrease of 28.8%.

BUSINESS REVIEW

We focus on alumina refining and electrolytic aluminum smelting within the upstream of the aluminum industry chain, and are principally engaged in the production and sales of electrolytic aluminum and alumina and other related products. Our electrolytic aluminum products are utilized by aluminum alloy processors and are processed into aluminum alloy materials, which are widely applied in industries such as 3C electronics, lightweight automotive, green energy, transportation, industrial materials and construction. Leveraging our robust production capabilities, we can produce aluminum products with purity exceeding national standards. Benefiting from the overall growth in market demand as well as our significant market presence, strategic location, stable supply of raw materials and electricity, sufficient production capacity, initiatives in green transition and strategy of globalization, our electrolytic aluminum products have cost advantages, thus enhancing our overall profitability.

We have an electrolytic aluminum smelter with an annual production capacity of 788,100 tons in Huolinguole, Inner Mongolia, a region with advantages in scarce resources. We also have constructed an ancillary coal-fired thermal power plant around our electrolytic aluminum smelter, comprising 6 sets of electricity generators with an installed capacity of 330.0 MW, which supplies stable electricity for our electrolytic aluminum production. In addition, we fully leverage the ample wind and solar power resources available at low costs in Huolinguole, Inner Mongolia, and are constructing wind power plants and solar power plants with a total installed capacity of 1,750.0 MW to provide us with a green electricity supply. Upon completion, the proportion of green electricity used by the Company will exceed 50%.

We have an alumina refinery with an annual production capacity of 1.80 million tons in Binzhou, Shandong Province, which is in proximity to the import ports for bauxite. We also have an annual production capacity of 2.98 million tons of aluminum hydroxide, which is often produced as an intermediate in the Bayer process and can be calcined to produce alumina. We also secured the regulatory approval for a production capacity of 6.00 million tons of alumina calcined from aluminum hydroxide in 2025 and are constructing a production capacity of 2.00 million tons per year of alumina calcined from aluminum hydroxide. Upon completion, the Company's total annual alumina production capacity will reach 3.80 million tons. For the supply of alumina, our alumina refinery is able to provide a cost-effective, high-quality, sufficient, and sustainable supply of alumina for our electrolytic aluminum production.

Through years of development, we have established an integrated ecosystem for the electrolytic aluminum industry chain with a high self-sufficiency rate, strong complementarity and synergy, covering energy, alumina refining and electrolytic aluminum smelting. The Company's current alumina and electricity self-sufficiency capacity covers 100% of its production and operations.

In 2025, Inner Mongolia Chuangyuan, a subsidiary of the Company, ranked the 9th among the Top 100 Private Enterprises of Inner Mongolia Autonomous Region and the 5th among the Top 50 Manufacturing Private Enterprises of Inner Mongolia Autonomous Region. It was recognized as an Enterprise with Outstanding Tax Contribution for 2025 and an Excellent Private Enterprise for 2025. In 2026, it was recognized as a Core Enterprise for Green Electricity Aluminum Production and a High-quality Electrolytic Aluminum Producer in China. In 2025, Shandong Chuangyuan New Material Technology Co., Ltd. (山東創源新材料科技有限公司), a subsidiary of the Company, was recognized as a "Provincial Green Factory".

In the first half of 2026, the Company's revenue was approximately RMB11,533.0 million, representing an increase of approximately 32.4% compared to the same period last year; the net profit attributable to the owners of the Company was approximately RMB2,304.5 million, representing an increase of approximately 166.1% compared to the same period last year, primarily due to (i) an increase in the Company's sales price of electrolytic aluminum products compared to the same period last year, leading to increased revenue; (ii) an increase in the proportion of green electricity used by the Company, which reduced our production costs and increased gross profit; and (iii) the Company's proactive optimization of the financing structure, resulting in a decrease in financing interest rates and a reduction in finance costs.

The operations of the Company during the Reporting Period were as follows:

Continuously increasing the proportion of green energy to build a moat for the aluminum business

The Company has always regarded achieving a green transition in the operations as a long-term goal, striving to build a world-class green aluminum industrial group. During the Reporting Period, the Company completed the construction of wind power plants with an installed capacity of 1,040 MW and solar power plants with an installed capacity of 110 MW, and the completion rate for green energy installations was approximately 66%. Upon completion of the Company's wind power plants and solar power plants, the proportion of green energy usage will exceed 50%, significantly surpassing the 25% target requirement set by the national industrial policy. The increase in the proportion of green energy can effectively reduce our production costs and enhance profitability, and also ensure that our green electrolytic aluminum products meet the requirements of domestic and overseas high-end customers for upstream manufacturers to use green energy in the electrolytic aluminum smelting process.

Accelerating the expansion of overseas industrial layout and enhancing international competitiveness

The Company seized the opportunities for global development, actively responded to the "Belt and Road" Initiative, and invested in an integrated electrolytic aluminum industrial chain project in Saudi in 2025, together with Innovation New Material, Innovation Group and others, with an annual production capacity of 500.0 kt (the "**Saudi Project**").

As of the end of June 2026, on the basis of obtaining compliance approvals, on-site construction operations for the Saudi Project have been fully commenced, with various engineering works having successively begun. The overall project construction progress is steadily on track as planned, laying a solid foundation for full operation in 2027.

The Saudi Project will enable us to attain global industry leadership and stimulate our global business growth, thereby creating new development opportunities for us. We expect the phased commencement of these overseas projects to further enhance our operating conditions and support our vision of becoming a world-class green aluminum industrial group.

Further optimizing the aluminum industrial chain layout and maintaining the stability of raw material supply

Alumina is the most important upstream raw material for the Company's electrolytic aluminum production, directly affecting the continuity of production, the stability of costs and the overall production quality. A stable power supply is also essential to the Company's production. To optimize the Company's industrial chain layout and maintain the stability of raw material supply, the Company acquired the remaining equity interest in Shandong Chuangyuan and 100% equity interest in Tongliao Smart Mining Co., Ltd.* (通遼市智慧礦業有限公司) during the Reporting Period.

The Company has established a fully self-controlled, robust and efficient industrial chain to ensure the supply of upstream alumina to the Company, reduce operational risks caused by fluctuations in raw material prices, and secure long-term stability of production and operations. At the same time, this has expanded our business to upstream core energy businesses, stabilized the supply of coal and reduced reliance on external market procurement. It has effectively hedged the operational risks caused by significant fluctuations in coal prices, policy adjustments and other external factors, ensuring a stable and reliable power supply for the Company's production, improving overall operational efficiency and sustainable development capabilities, and stabilizing the results of operations.

Deepening digital and intelligent technological reform and innovation to solidify cost and profitability advantages

We emphasize refined management, maintain continuous equipment upgrades and transformations, and have a high degree of automation during production. We have completed the digital transformation of cell control systems, automatic laser cleaning devices for guide rods, automatic production lines for aluminum ingots, etc. On this basis, we further carried out upgrades and transformations during the Reporting Period, specifically:

In terms of the power system, through the flexible seal modification of the preheater and the modification of the bypass flue and electric control devices, we reduced heat loss and electricity consumption, conserved energy and lowered maintenance costs, thereby improving boiler thermal efficiency and economic benefits. We replaced old screw compressors with new centrifugal air compressors to optimize the gas supply structure and ensure a stable gas supply for production, reducing the impact on the power grid and achieving energy conservation and consumption reduction.

In terms of the production of electrolytic aluminum, by introducing intelligent equipment and an end-to-end conveyor system, we implemented the intelligent and automated upgrades in the anode assembly workshop, promoting the transformation towards data-driven management to reduce production costs and establish an advantage in refined management.

To better control carbon emissions and energy consumption, we have continuously carried out the fully graphitized cathode retrofitting, commissioning of copper-embedded steel stub holes, carbon anode heightening, and carbon anode coatings to improve current efficiency and reduce energy consumption. By continuously upgrading production techniques relating to electrolytic aluminum smelting and minimizing the electricity consumption of aluminum per ton, we have continuously enhanced our cost and profitability advantages.

During the Reporting Period, our total cost of aluminum per ton, including tax, was approximately RMB14,500. According to Antaike, in the first half of 2026, the weighted average cost of electrolytic aluminum in China, including tax, was approximately RMB16,105 per ton. The cost controls of the Company were significantly better than the industry average.

Fully promoting green, low-carbon and sustainable development through the effective operations of the Environmental, Social and Governance ("ESG") governance system

During the Reporting Period, the Company published its first ESG report and established an ESG Committee of the Board to effectively support the Board's strategic guidance, risk assessment, and overall supervision of the Company's ESG development. It clearly put forward short-, medium- and long-term climate goals of achieving a carbon peak within its operational scope by 2029, reducing the emission intensity of electrolytic aluminum products by 40% compared to the base year by 2030, utilizing not less than 45% of renewable energy, and achieving net-zero greenhouse gas emissions within its operational scope by 2055. It significantly increased the proportion of green electricity by accelerating the commissioning of new energy projects; and actively participated in the preparation for mainstream ESG ratings and comprehensively analyzed ESG management practices.

FINANCIAL REVIEW

Product Revenue

During the Reporting Period, the Group's core business focused on the production and sales of alumina and electrolytic aluminum within the upstream of the aluminum industry chain. The Group mainly conducted its business in Mainland China, with all revenue derived from Mainland China.

The revenue by nature of the business is as follows:

Business	For the six months ended June 30, 2026 RMB'000	For the six months ended June 30, 2025 RMB'000
Electrolytic aluminum	**8,024,690**	6,622,256
Alumina and other related types of products	**2,520,111**	1,874,904
Subtotal	***10,544,801***	*8,497,160*
Others	**988,209**	212,002
Total	**11,533,010**	8,709,162

For the six months ended June 30, 2026, the Group's total revenue was approximately RMB11,533.0 million, representing an increase of approximately 32.4% from approximately RMB8,709.2 million in the same period last year.

Specifically, the revenue from electrolytic aluminum products was approximately RMB8,024.7 million, representing an increase of approximately 21.2% from approximately RMB6,622.3 million in the same period last year, mainly due to the increase in the sales price of electrolytic aluminum products compared with the same period last year. The revenue from alumina and other related types of products was approximately RMB2,520.1 million, representing an increase of approximately 34.4% from approximately RMB1,874.9 million in the same period last year, mainly due to the increase in production and sales volume of alumina and other related types of products compared with the same period last year. The revenue from other products (including scrap and other materials, electricity and steam supply) was approximately RMB988.2 million, representing an increase of approximately 366.1% from approximately RMB212.0 million in the same period last year, mainly due to the increase in power sales business of the Company compared with the same period last year.

Cost of Sales

Cost of sales by business nature is as follows:

Business	For the six months ended June 30, 2026 RMB'000	For the six months ended June 30, 2025 RMB'000
Electrolytic aluminum	**4,542,909**	5,058,365
Alumina and other related types of products	**2,345,319**	1,829,169
Subtotal	***6,888,228***	*6,887,534*
Other	**645,080**	99,729
Total	**7,533,308**	6,987,263

For the six months ended June 30, 2026, the Group's total cost of sales was approximately RMB7,533.3 million, representing an increase of approximately 7.8% from approximately RMB6,987.3 million in the same period of the previous year.

Specifically, the cost of sales for electrolytic aluminum products was approximately RMB4,542.9 million, representing a decrease of approximately 10.2% from approximately RMB5,058.4 million in the same period of the previous year, primarily due to the lower prices of coal and alumina, and an increase in new energy power generation and its proportion, which resulted in the reduction in production costs compared to the same period last year. The cost of sales for alumina and other related types of products was approximately RMB2,345.3 million, representing an increase of approximately 28.2% from approximately RMB1,829.2 million in the same period last year, primarily due to an increase in sales volume of alumina and other related types of products as compared with the same period last year. The cost of sales for other products (including scrap and other materials, electricity and steam supply) was approximately RMB645.1 million, representing an increase of approximately 547.0% from approximately RMB99.7 million in the same period last year, primarily due to the increase in power sales business of the Company compared with the same period last year.

Gross Profit and Gross Profit Margin of Products

Business	For the six months ended June 30, 2026 Gross profit RMB'000	Gross profit margin %	For the six months ended June 30, 2025 Gross profit RMB'000	Gross profit margin %
Electrolytic aluminum	**3,481,781**	**43.4**	1,563,891	23.6
Alumina and other related types of products	**174,792**	**6.9**	45,735	2.4
Subtotal	***3,656,573***	***34.7***	*1,609,626*	*18.9*
Others	**343,129**	**34.7**	112,273	53.0
Total	**3,999,702**	**34.7**	1,721,899	19.8

For the six months ended June 30, 2026, the Group's total gross profit margin of products was approximately 34.7%, representing an increase of approximately 14.9 percentage points from approximately 19.8% in the same period last year. Among which, the gross profit margin of electrolytic aluminum products was approximately 43.4%, representing an increase of approximately 19.8 percentage points from approximately 23.6% in the same period last year, mainly due to the year-on-year increase in the sales price of electrolytic aluminum products and the decrease in production costs. The gross profit margin of alumina and other related types of products was approximately 6.9%, representing an increase of approximately 4.5 percentage points from approximately 2.4% in the same period last year, mainly due to the lower procurement price of bauxite, which is a major raw material for alumina and other related types of products, thus reducing production costs compared to the same period last year.

Other Income

For the six months ended June 30, 2026, the Group's other income was approximately RMB78.6 million, representing an increase of approximately 166.4% from approximately RMB29.5 million in the same period last year, mainly due to the increase in interest income from bank deposits, as well as government subsidies received for construction projects during the Reporting Period.

Listing Expenses

For the six months ended June 30, 2026, the Group did not incur listing expenses.

Other Gains and Losses

For the six months ended June 30, 2026, the Group's other gains and losses amounted to a net loss of approximately RMB43.5 million, representing a decrease of approximately RMB15.4 million from a net loss of approximately RMB58.9 million in the same period last year. The net loss recorded in other gains and losses during the Reporting Period was primarily attributable to exchange losses on foreign currency deposits.

Selling and Marketing Expenses

For the six months ended June 30, 2026, the Group's selling and marketing expenses were approximately RMB1.0 million, representing a decrease of approximately RMB0.2 million from approximately RMB1.2 million in the same period last year, remaining stable as compared with the same period last year.

Administrative Expenses

For the six months ended June 30, 2026, the Group's administrative expenses were approximately RMB222.0 million, representing an increase of approximately 44.4% from approximately RMB153.7 million in the same period last year, accounting for approximately 1.9% of the Group's total revenue and an increase of approximately 0.1 percentage points from approximately 1.8% in the same period last year, mainly due to the increase in the number and salaries of our administrative staff and the increase in taxation and other management costs during the Reporting Period.

Share of Results of Joint Ventures

For the six months ended June 30, 2026, the Group's share of results of joint ventures was a net loss of approximately RMB21.7 million, representing an increase in net loss of approximately RMB12.3 million as compared with the net loss of approximately RMB9.4 million for the same period last year. This was mainly due to the increase in non-capitalized costs at one of the joint ventures, which was in its construction stage during the Reporting Period.

Finance Costs

For the six months ended June 30, 2026, the Group's finance costs were approximately RMB227.2 million, representing a decrease of approximately 32.0% from approximately RMB334.2 million in the same period last year, accounting for approximately 2.0% of the Group's total revenue and a decrease of approximately 1.8 percentage points from approximately 3.8% in the same period last year, mainly due to the decrease in consolidated financing interest rates during the Reporting Period.

Income Tax Expense

For the six months ended June 30, 2026, the Group's income tax expense was approximately RMB1,230.7 million, representing an increase of approximately 491.1% from approximately RMB208.2 million for the same period last year. This increase was mainly due to a significant increase in taxable income from the electrolytic aluminum business of the Group compared with the same period last year, as well as a change in income tax rate during the Reporting Period.

Profit for the Period and Total Comprehensive Income

For the six months ended June 30, 2026, the Group's profit for the period and total comprehensive income amounted to approximately RMB2,320.1 million, representing an increase of approximately 138.9% from approximately RMB971.2 million in the same period last year.

Net Profit Attributable to Shareholders of the Company and Earnings Per Share

For the six months ended June 30, 2026, net profit attributable to Shareholders of the Company was approximately RMB2,304.5 million, representing an increase of approximately 166.1% from approximately RMB865.9 million for the same period last year.

For the six months ended June 30, 2026, the Company's basic earnings per share were approximately RMB1.11 (the same period last year: approximately RMB0.58).

Liquidity and Financial Resources

As at June 30, 2026, the Group's cash and cash equivalents were approximately RMB2,163.9 million, representing a decrease of approximately RMB2,927.2 million from cash and cash equivalents of approximately RMB5,091.1 million as at December 31, 2025. As at the date of this report, proceeds from the Group's listing brought-forward at the beginning of the year have been planned and utilised strictly in accordance with the purposes disclosed in the Prospectus. See the section headed "Use of Net Proceeds from the Global Offering" in this report for further details.

As at June 30, 2026, the Group's restricted bank deposits were approximately RMB1,452.7 million, representing a decrease of approximately 12.2% from the restricted bank deposits of approximately RMB1,654.4 million as at December 31, 2025, mainly due to the decrease in the issue of bills payable and letter of credit for purchasing raw materials.

As at June 30, 2026, the Group's inventories were approximately RMB2,453.4 million, representing an increase of approximately 0.7% from the inventories of approximately RMB2,435.9 million as at December 31, 2025, remaining basically stable as compared with the end of last year.

As at June 30, 2026, the Group's trade receivables were approximately RMB288.8 million, representing an increase of approximately 140.7% from the trade receivables of approximately RMB120.0 million as at December 31, 2025, mainly due to the business growth in electricity and other businesses during the Reporting Period.

For the six months ended June 30, 2026, the Group's net cash flow from operating activities was approximately RMB2,690.0 million, with working capital remaining on a sound footing. We have steadily improved capacity utilisation, further optimised costs across the entire value chain and continuously enhanced operating quality, thereby boosting operating profit and net cash inflows from operating activities. Taking into account the cyclical characteristics of product production and sales, the Group conducts regular rolling budget balancing for funds, dynamically manages working capital to ensure sufficient financial resources, which can effectively cover funding requirements for raw material procurement, production maintenance and day-to-day operations.

Capital Structure

As at June 30, 2026, the Group's total liabilities were approximately RMB20,142.3 million, representing an increase of approximately 10.8% from the total liabilities of approximately RMB18,175.6 million as at December 31, 2025. The debt-to-asset ratio, calculated as total liabilities divided by total assets, was approximately 65.6%, representing an increase of approximately 1.5 percentage points from the debt-to-asset ratio of approximately 64.1% as at December 31, 2025.

As at June 30, 2026, the Group's bank borrowings and other borrowings were approximately RMB14,271.7 million, representing an increase of approximately RMB1,867.7 million from bank borrowings and other borrowings of approximately RMB12,404.0 million as at December 31, 2025, mainly due to the increase in loans for equity acquisition projects and coal mining exploration right loans during the Reporting Period.

The effective interest rate of the Group's borrowings during the year ranged from 2.0% to 5.6%, of which 50.9% were fixed-rate borrowings and 49.1% were variable-rate borrowings.

For the six months ended June 30, 2026, the Group's net cash flow used in financing activities was approximately RMB2,210.5 million. The net cash flow from financing activities was mainly the payment of cash dividends for 2025 to the Group's shareholders.

The Group takes the continuous optimisation of its financing structure, steady de-leveraging of financial gearing levels and in-depth improvement of financing costs as its core objectives, and keeps refining its diversified financing system. The Group proactively deepens strategic cooperation with its key partner banks and actively negotiates more favourable credit terms, borrowing interest rates and repayment arrangements.

Going forward, the Group will continue to adopt a prudent and sound financing strategy, dynamically monitor changes in capital market and credit policies, and further optimise the mix of long-term and short-term debts. It will maintain the scale of liabilities and debt structure commensurate with operating scale and cash flow levels, ensure that the overall liability scale remains within a reasonable, controllable and safe range, and continuously consolidate the Group's financial soundness, so as to provide stable and low-cost funding support for business operations, capacity optimisation and long-term steady development.

Capital Expenditures

For the six months ended June 30, 2026, the Group's capital expenditures were approximately RMB1,362.6 million, which was mainly the construction expenditure on green new energy projects for the Group's electrolytic aluminum business.

As at June 30, 2026, the Group's capital commitments related to the acquisition of property, plant and equipment were approximately RMB651.9 million, which were mainly used for the construction of green new energy projects in the Group's electrolytic aluminum business.

The Group continues to deepen its presence across the electrolytic-aluminum industrial chain and steadily advance an integrated industrial-chain ecosystem. The Company keeps optimising its energy mix and raising the proportion of green and clean energy such as wind power and solar power in its energy consumption. Leveraging its advantages in green energy utilisation, the Group consolidates its production-cost moat to further strengthen core profitability and industrial competitive edges. Meanwhile, the Group remains committed to the philosophy of green and low-carbon development, and continuously enhances its overall corporate strength and market recognition. It steadily pushes forward industrial green upgrading as well as energy-saving and carbon-reduction retrofits, and strives to achieve the Group's medium-to-long-term strategic objectives of sustainable high-quality development and industrial green transition.

Contingent Liabilities

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

Foreign Exchange Risk

Most of the Group's revenues and expenditures are settled in Renminbi, with foreign exchange reserves primarily consisting of surplus funds raised from the Listing. For the six months ended June 30, 2026, the Group incurred foreign exchange losses of approximately RMB44.0 million (the same period last year: foreign exchange losses of approximately RMB0.1 million).

The Group's management places great emphasis on foreign exchange risk management, closely monitors domestic and overseas macroeconomic trends, monetary policies and movements in the exchange rate market, and dynamically assesses potential risks arising from foreign exchange fluctuations. Through measures such as forward foreign exchange contracts and hedging, the Group continuously optimises the management of foreign currency exposures to mitigate risks arising from exchange-rate volatility.

Human Resources

As at June 30, 2026, the Group had a total of 4,110 employees (as of June 30, 2025: 3,769 employees). The total staff costs for the Reporting Period were approximately RMB338.8 million, representing an increase of approximately 30.2% from the staff costs of approximately RMB260.2 million in the same period last year. This was mainly due to the increase in the number of employees due to the Group's business expansion and talent pipelines, as well as the increase in the level of employee remuneration compared with the same period last year. Staff costs mainly include wages, allowances and benefit expenses, along with performance bonuses based on annual performance and achievement of targets.

The Group consistently adheres to the principles of openness, justice and fairness in talent selection and appointment, and continuously attracts, reserves and fosters diverse outstanding qualified professionals to consolidate the enterprise's talent pipeline development. Fully respecting employees' personal career planning and aspirations for growth, the Group establishes diversified and unobstructed career-development pathways, puts in place a sound employee remuneration and benefits system, and keeps improving employee compensation packages. Meanwhile, aligning employees' growth needs with the Group's long-term development, the Group centres on employee experience and upholds people-oriented care, to continuously optimise the workplace development ecosystem and establish a well-structured corporate-culture empowerment mechanism.

Looking ahead, the Group will further deepen corporate culture building. It leverages corporate culture to unite talents, nurture professionals and drive business growth. The Group will pool efforts to build a world-class green aluminum industrial group, realise mutual prosperity for employees and the enterprise, and jointly embark on a new journey of steady and sustainable development.

PROSPECTS

In the first half of 2026, the global electrolytic aluminum market experienced significant volatility resulting from the complex interplay between macroeconomic and market fundamental factors. A resurgence in energy inflation fueled expectations of Federal Reserve rate hikes, while rising U.S. Treasury yields and a stronger U.S. dollar continued to weigh on LME aluminum valuations. Meanwhile, supply disruptions caused by geopolitical conflicts in the Middle East temporarily heightened expectations of supply shortages.

Looking ahead to the second half of 2026, as energy inflation pressures gradually ease and the trend toward the recovery of overseas supply becomes increasingly clear, the Company will continue to capitalize on structural opportunities amid a complex and ever-changing market environment. We will steadily advance our strategic initiatives by pursuing green development and carbon reduction, expanding our global presence, enhancing efficiency through digital and intelligent transformation, and consolidating our strengths through integration. We will comprehensively enhance our ESG governance standards and are committed to building a world-class green aluminum industrial group.

Advancing the commissioning of wind and solar projects, leveraging clean energy to support green and low-carbon development

The Company will continue to fully harness wind and solar energy to build a green energy system supported by our captive power plants. Our new energy projects are expected to be completed by the end of 2026 and to be fully connected to the grid and operational in 2027. These projects will maximize our green electricity supply, enhance energy efficiency and reduce both electricity costs and carbon emissions.

From a social responsibility perspective, this approach will cut down on the Company's energy consumption and gas emissions during the power generation process, ensuring our operations are in line with global sustainability trends and the national industrial policy requirements. From an economic perspective, the adoption of green electricity will lower our operating costs, thereby enhancing our profitability. From a business development perspective, integrating green principles into our business operations not only elevates our corporate image, but also meets the needs of our downstream customers and attracts a growing number of partners, ultimately expanding our growth opportunities and helping us achieve our vision.

Accelerating the construction of the Saudi Project to execute the Group's long-term global development strategy

Since construction began, the Saudi Project has been progressing steadily according to the established schedule. The project is located in the Yanbu Industrial City on the west coast of Saudi. Through the collaborative efforts of all parties, all milestone targets for the Saudi Project were achieved on schedule in the first half of 2026. Looking ahead to the second half of 2026, we will continue to fully advance project construction based on the existing construction progress to ensure that key milestones are completed on schedule. Concurrently, the Company will continue to maintain a professional team with extensive experience in the electrolytic aluminum industry to strictly oversee construction safety and project quality, thereby ensuring production safety of the project and its sustainable operations going forward.

Continuing technological transformation and digital and intelligent transformation to improve production efficiency and product quality

The Company will continue to enhance its production techniques and use new cathode materials to improve current efficiency and reduce energy consumption. It will further conserve power and enhance equipment efficiency and lifespan by optimizing average voltage, refining electrolytic cell design and upgrading electrolytic cell lining materials. The Company deeply advances digital and intelligent transformation alongside green upgrades. Leveraging AI algorithms, it implements precise, end-to-end control of electrolytic cells, monitors operating conditions in real time, intelligently diagnoses potential equipment issues, and optimizes energy consumption and material deployment. The Company comprehensively enhances production efficiency and operational stability driven by data and enabled by technology, helping the industry achieve a new paradigm of intelligent manufacturing that is efficient, low-carbon and safe.

Strengthening the management and control of the integrated industry chain to maintain the stability of raw material supplies

With the completion of the acquisition of the coal mine and the acquisition of the remaining equity interests in Shandong Chuangyuan, the Company's resource security system has been further established and refined. In the next phase, the Company will remain focused on its core strategy of integrated industry chain and fully promote deeper integration and coordinated operation across key segments such as alumina, coal mines, power, and electrolytic aluminum. Through stronger internal coordination and resource sharing, the Company will effectively mitigate the impact of external market volatility and continue to strengthen and expand its long-term competitive advantages.

Strengthening ESG and carbon reduction practices to expand sustainable development influence

The Company attaches significant importance to environmental, social and governance, and aims to become a green aluminum industrial group in the global market, and is committed to setting a benchmark for sustainable development in the electrolytic aluminum industry through the transition of its energy structure, operational analysis and technological improvements, industry chain synergy, enhancement of ESG disclosure capabilities, and increased participation in the ESG ecosystem. On the environmental front, the Company focuses on expanding the development and application of its own green electricity, advancing technological exchange and innovation and facility upgrades, enhancing the coverage and capabilities of its carbon data, dynamically mapping out effective pathways for carbon reduction, and accelerating green development. On the social front, the Company accelerates the development of supply chain data capabilities and ESG development capabilities, continuously providing employees with a safe, healthy and diverse work environment, and further advancing public welfare undertakings and volunteer services to enhance the Company's industry influence and image as a socially responsible enterprise. On the governance front, the Company will continue to ensure that its corporate governance mechanisms are strict and transparent, strengthen the sense of responsibility among directors, senior management, and all employees, laying the foundation for the Company's long-term and robust development and fostering the positive synergy between corporate governance and sustainable development.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Company issued 500,000,000 Shares by way of global offering (the "**Global Offering**") at a price of HK$10.99 per share, and was listed on the Main Board of the Stock Exchange on November 24, 2025. On December 5, 2025, the Company issued 75,000,000 Shares at a price of HK$10.99 per share following the full exercise of the over-allotment option. The net proceeds (the "**Net Proceeds**") from the Global Offering (after deducting underwriting fees and related expenses) amounted to approximately RMB5,637.5 million.

The intended uses and allocation as stated in the Prospectus in relation to the Global Offering, and status of the utilisation of the Net Proceeds as of June 30, 2026 are set out below:

Unit: RMB million

Intended use of Net Proceeds	Allocation of Net Proceeds	Approximate percentage of Net Proceeds from the Global Offering	Amount of Net Proceeds unutilised as of December 31, 2025	Amount of Net Proceeds utilised as of June 30, 2026	Amount of Net Proceeds unutilised as of June 30, 2026
Construction of an aluminum smelter and the purchase and installation of production equipment in Saudi	**2,818.7**	**50%**	**2,111.1**	**1,927.7**	**891.0**
Electrolytic aluminum smelter	1,372.3	24%	669.8	939.2	433.1
Aluminum billets production plant	310.0	5%	310.0	212.2	97.8
Aluminum foils and flat roll production plant	457.4	8%	457.4	313.1	144.3
Grid connection	307.1	5%	307.1	210.1	97.0
Slag treatment	46.1	1%	46.1	31.5	14.6
Other costs	325.8	6%	320.7	221.7	104.1
Construction of green power plants, and the purchase and installation of equipment used therein	**2,255.0**	**40%**	**2,255.0**	**929.1**	**1,325.9**
Wind power plants	1,878.0	33%	1,878.0	691.5	1,186.5
Solar power plants	241.9	4%	241.9	102.5	139.4
Power transmission and transformation	135.1	2%	135.1	135.1	–
Working capital and general corporate uses	**563.8**	**10%**	**563.8**	**563.1**	**0.7**
Total	**5,637.5**	**100%**	**4,929.9**	**3,419.9**	**2,217.6**

As of June 30, 2026, the total unutilised Net Proceeds of the Company amounted to approximately RMB2,217.6 million, representing approximately 39.34% of the Net Proceeds. As of August 17, 2026 (i.e., the date of the interim results announcement of the Company) and prior to the change in use of the unutilised Net Proceeds as mentioned below, the Net Proceeds have been used in a manner consistent with the intended use as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

CHANGE IN USE OF UNUTILISED NET PROCEEDS OF THE GLOBAL OFFERING

After a review of the Group's operational needs and having considered the reasons set out in "Reasons for Change in Use of Unutilised Net Proceeds" below, on August 17, 2026, the Board resolved to approve the change in the intended use of the unutilised Net Proceeds as follows:

(i) reallocating approximately RMB891.0 million, being all of the unutilised Net Proceeds originally designated for the construction of an aluminum smelter and the purchase and installation of production equipment in Saudi, to a new intended use of the Net Proceeds for strategic reserves of bulk commodities; and

(ii) reallocating approximately RMB475.0 million of the unutilised Net Proceeds originally designated for the construction of green power plants, and the purchase and installation of equipment used therein, to a new intended use of the Net Proceeds for repayment of borrowings.

The table below sets out the details of allocation of the Net Proceeds before and after the change in the intended use of the unutilised Net Proceeds:

Unit: RMB million

Intended use of Net Proceeds	Original allocation of Net Proceeds	Original approximate percentage of Net proceeds from the Global Offering	Amount of Net Proceeds utilised as of June 30, 2026	Amount of Net Proceeds unutilised as of June 30, 2026	Revised allocation of Net Proceeds	Revised approximate percentage of Net Proceeds from the Global Offering	Revised amount of Net Proceeds unutilised as of June 30, 2026	Expected timeline for full utilisation
Construction of an aluminum smelter and the purchase and installation of production equipment in Saudi	**2,818.7**	**50%**	**1,927.7**	**891.0**	**1,927.7**	**34%**	**–**	**N/A**
Construction of green power plants, and the purchase and installation of equipment used therein	**2,255.0**	**40%**	**929.1**	**1,325.9**	**1,780.0**	**32%**	**850.9**	**By the end of or before 2027**[1]
Wind power plants	1,878.0	33%	691.5	1,186.5	1,462.4	26%	770.9	By the end of or before 2027
Solar power plants	241.9	4%	102.5	139.4	182.5	3%	80.0	By the end of or before 2027
Power transmission and transformation	135.1	2%	135.1	–	135.1	2%	–	–

Intended use of Net Proceeds	Original allocation of Net Proceeds	Original approximate percentage of Net proceeds from the Global Offering	Amount of Net Proceeds utilised as of June 30, 2026	Amount of Net Proceeds unutilised as of June 30, 2026	Revised allocation of Net Proceeds	Revised approximate percentage of Net Proceeds from the Global Offering	Revised amount of Net Proceeds unutilised as of June 30, 2026	Expected timeline for full utilisation
Working capital and general corporate uses	563.8	10%	563.1	0.7	563.8	10%	0.7	By the end of or before 2026
Strategic reserves of bulk commodities	-	-	-	-	891.0	16%	891.0	By the end of or before 2026
Repayment of borrowings	-	-	-	-	475.0	8%	475.0	By the end of or before 2026
Total	**5,637.5**	**100%**	**3,419.9**	**2,217.6**	**5,637.5**	**100%**	**2,217.6**	**-**

Note:

(1) The Company's green energy projects are expected to be completed by the end of 2026. As certain outstanding payments, including equipment warranty retention monies, will only become payable after the projects have been in operation for a period of time, the Company has accordingly adjusted the expected timetable for the utilization of the Net Proceeds. Based on the current progress of the projects, the relevant Net Proceeds are expected to be fully utilized by the end of or before 2027.

Reasons for Change in Use of Unutilised Net Proceeds

The reasons for the change in the use of the unutilised Net Proceeds are as follows:

(i) the Net Proceeds originally allocated to the construction of an aluminum smelter and the purchase and installation of production equipment in Saudi were intended to support the Group's overseas production expansion strategy, and the allocation disclosed in the Prospectus reflected the Board's assessment of the information then available and a prudent approach to reserve sufficient capital for the project's implementation. Following the listing of the Company, the Group has proceeded with the relevant investments. As of June 30, 2026, the Group had utilized approximately RMB1,927.7 million of the Net Proceeds to fulfil its capital investment commitment as disclosed in the Prospectus. Having reviewed the project's progress and having regard to the fact that the Saudi Project company has independently secured bank financing in an amount sufficient to cover subsequent construction investment requirements, the Board decided that no further investment from the Group was required, leaving a portion of the Net Proceeds originally allocated to the Saudi Project unutilised and no longer be utilised for its intended purpose. The Board therefore considers it appropriate to reallocate this unutilised amount to a use that will generate more immediate benefits for the Group;

(ii) the Net Proceeds originally allocated to the construction of green power plants and the purchase and installation of equipment used therein were intended to support the Group's green energy projects. The Group has since secured project-specific loan facilities that may only be applied to those green energy projects. Based on the latest available information, having assessed the projects' progress and the availability of the Group's overall financial resources, the Board has concluded that the green energy projects are now fully funded, and only part of the unutilised Net Proceeds is still required for them and the remainder would no longer be utilised for their original purpose. The Board therefore considers it appropriate to reallocate part of the unutilised Net Proceeds to a use that will generate more immediate benefits for the Group;

(iii) the Group focuses on alumina refining and electrolytic aluminum smelting within the upstream of the aluminum industry chain. Its strategic reserves of bulk commodities mainly comprise key raw materials and energy resources frequently used in its production activities, including but not limited to bauxite, alumina and coal. Given the recent increases and volatility in the prices of certain commodities, including bauxite and coal, driven by supply constraints, changes in export policies and geopolitical factors, as well as the tighter supply of certain energy resources, the Board considers it prudent to strengthen such strategic reserves by applying part of the unutilised Net Proceeds. The increased reserves will enhance the security and stability of the Group's supply chain and help ensure the continuity of its production operations. Such reserves are also expected to enable the Group to better mitigate the impact of raw material price fluctuations and maintain cost competitiveness, thereby supporting its long-term business development; and

(iv) having considered the Group's current financing position and capital requirements, the Board believes that applying a portion of the unutilised Net Proceeds towards the repayment of borrowings with relatively high interest rates represents a more efficient deployment of the Group's financial resources, as it will reduce the Group's overall financing costs and enhance financial flexibility, while still preserving sufficient funding for the green energy projects. The resulting reduction in borrowing levels is also expected to have a positive impact on the Group's profitability. Such borrowings are as follows:

No.	Outstanding principal amount as of June 30, 2026 (RMB in millions)	Drawdown date	Maturity date	Annual interest rate
1	300	April 1, 2026	March 30, 2027	3.50%
2	175	April 1, 2026	March 30, 2027	3.50%

The overall construction of the Saudi Project and the green energy projects is progressing steadily as planned. The Saudi Project is expected to commence production in 2027, and the construction of the green energy projects is expected to be completed by the end of 2026. The change in the use of the unutilised Net Proceeds will not affect the Company's equity interests held in the Saudi Project company, nor will it impact the construction of the green energy projects. In view of the above, the Board considers that the change in use of the unutilised Net Proceeds is supported by a clear business, commercial and financial rationale, will not have any material adverse effect on the Group's existing business operations or future development plans, and will enable the Group to enhance the security and stability of its supply chain while deploying its financial resources more efficiently. The Board believes that the change is in the best interests of the Company and its Shareholders as a whole.

Save as disclosed above, there is no other change to the intended use of the Net Proceeds. The Group will continue to review its funding needs and the utilisation of the Net Proceeds from time to time, and may adjust the allocation as necessary to meet its operational needs and business development.

PLEDGED ASSETS

As at June 30, 2026, property, plant and equipment, right-of-use assets, intangible assets, inventories and restricted funds with an aggregate carrying amount of approximately RMB16,905.6 million (December 31, 2025: approximately RMB14,863.4 million) of the Group have been pledged to several banks to secure the Group's bank financing, bills payable and letters of credit.

SIGNIFICANT INVESTMENT

As at June 30, 2026, details of significant investment held by the Group were set out as follows:

Name of joint venture	Country of incorporation	Principal place of business	Principal activity	% of ownership interest and voting rights held by the Group as at the end of the Reporting Period	Cost of investment as at the end of the Reporting Period	Share of post-acquisition losses and other comprehensive expense during the Reporting Period	Share of post-acquisition losses and other comprehensive expense as at the end of the Reporting Period	Net book value as at the end of the Reporting Period	Net book value to total assets of the Group as at the end of the Reporting Period
						(in RMB thousand)			
Red Sea Aluminium Holdings Pte. Ltd. ("Red Sea JV")	Saudi	Saudi	Smelting and selling electrolytic aluminum*	33.6%	1,927,750	21,688	43,750	1,884,000	6.1%

* *Red Sea JV and its subsidiary had not carried out any substantive business operation during the Reporting Period, which is currently under infrastructure construction.*

During the Reporting Period, Red Sea JV continued to advance the Saudi Project and achieved all key construction milestones scheduled for the first half of 2026. Site construction has fully commenced and project development remains on track. The Company expects the Saudi Project to commence operations in 2027, which will support its global expansion and long-term growth strategy. No dividend has been received from the investment in Red Sea JV during the Reporting Period.

The investment in Red Sea JV reflects the Company's strategy of expanding its global presence and capturing opportunities arising from the Belt and Road Initiative. Through the development of the Saudi Project, the Company aims to strengthen its position in the global aluminum industry and create sustainable long-term value.

Save as disclosed above, the Group did not hold any other significant investment during the Reporting Period, including any investment with investment amounts in an investee company that accounted for 5% or more of the Group's total assets as at June 30, 2026.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR ACQUISITIONS OF CAPITAL ASSETS

As at June 30, 2026, the Group had no specific future plans for significant investments or acquisitions of capital assets.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

On March 17, 2026, Inner Mongolia Chuangyuan, a wholly-owned subsidiary of the Company entered into an equity transfer agreement with Innovation Group to acquire its 41.5% equity interests in Shandong Chuangyuan for a transaction amount of approximately RMB525.5 million. Inner Mongolia Chuangyuan entered into an equity transfer agreement with Innovation Group to acquire its 100% equity interests in Tongliao Smart Mining Co., Ltd.* (通遼市智慧礦業有限公司) for a transaction consideration of approximately RMB1,000.8 million. The aforementioned matters were approved at the extraordinary general meeting of the Company held on April 30, 2026. Further details are set out in the Company's announcements dated March 17 and April 30, 2026 and the Company's circular dated April 15, 2026.

Save as disclosed in this interim report, during the six months ended June 30, 2026, the Group did not conduct any significant acquisitions and disposals of subsidiaries, associates, or joint ventures.

EVENTS AFTER THE REPORTING PERIOD

Since June 30, 2026 and up to the date of this interim report, there has been no material subsequent event affecting the Group which would require disclosure pursuant to the Listing Rules. For details of the change in use of unutilised Net Proceeds of the Global Offering, please refer to the section headed "Change in Use of Unutilised Net Proceeds of the Global Offering" in this report.

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: nil).

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended June 30, 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares, if any). As at June 30, 2026, the Company did not hold any treasury shares (within the meaning ascribed to it under the Listing Rules).

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high levels of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the code provisions in the Corporate Governance Code set out in Part 2 Appendix C1 to the Listing Rules as its own code of corporate governance. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with all applicable code provisions as set out in the CG Code contained in Appendix C1 of the Listing Rules during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transaction. Having made specific enquiries to the Directors, all Directors confirmed that they have complied with the Model Code during the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company, following the discussions with the Company's auditor, has reviewed the Group's unaudited consolidated financial statements for the six months ended June 30, 2026 and the interim report. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed matters in respect of risk management and internal control of the Company. There is no disagreement by the Board and the Audit Committee regarding the accounting treatment adopted by the Group.

The Company's unaudited consolidated financial statements for the six months ended June 30, 2026 have been prepared by the Group in accordance with IFRS Accounting Standards. The independent auditor of the Company, namely Messrs. Deloitte Touche Tohmatsu, has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2026, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares of the Company

Name of Director	Nature of interest	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding in the total issued share capital of the Company (%)
Mr. Cui[(1)]	Interest in controlled corporation	Long position	1,500,000,000	72.29

Note:

(1) Bloomsbury Holding, which is wholly owned by Mr. Cui, directly held 1,500,000,000 Shares. As such, Mr. Cui is deemed to be interested in the Shares held by Bloomsbury Holding.

Interest in the Associated Corporation

Name of Director	Nature of interest	Long position/ Short position	Name of associated corporation	Approximate percentage of shareholding in the total share capital of the associated corporations (%)
Mr. Cui[(1)]	Beneficial owner	Long position	Bloomsbury Holding	100

Note:

(1) Bloomsbury Holding is the holding company of the Company and thus an associated corporation (within the meaning of Part XV of the SFO) of the Company. As at June 30, 2026, Bloomsbury Holding was directly wholly owned by Mr. Cui.

Save as disclosed above, as at June 30, 2026, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As of June 30, 2026, neither the Company nor its subsidiaries entered into any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or their spouses or children under the age of 18 were granted any right to subscribe for the share capital or debt securities of the Company or any other body corporate, or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, so far as it was known to the Directors, the following persons and entities (other than the Directors and chief executives of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of shareholding in the total issued share capital of the Company (%)
Bloomsbury Holding	Beneficial owner	1,500,000,000	72.29

Save as disclosed above, as at June 30, 2026, the Directors were not aware of any persons (who were not the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

From the date of publication of the Company's 2025 annual report to the date of this interim report, there were no changes in information of the Directors and chief executives of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF CHUANGXIN INDUSTRIES HOLDINGS LIMITED
(創新實業集團有限公司)
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Chuangxin Industries Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 76, which comprise the condensed consolidated statement of financial position as of June 30, 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("HKSRE 2410") as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Condensed Consolidated Financial Statements

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended June 30, 2025 and the relevant notes included in these condensed consolidated financial statements have not been reviewed in accordance with HKSRE 2410.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

August 17 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months Ended June 30, 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
		Six months ended June 30,	
Revenue	3A	**11,533,010**	8,709,162
Cost of sales		**(7,533,308)**	(6,987,263)
Gross profit		**3,999,702**	1,721,899
Other income	4A	**78,615**	29,453
Other expenses	6	**(10,423)**	(8,975)
Listing expenses		**–**	(6,095)
Other gains and losses	4B	**(43,462)**	(58,910)
Selling and marketing expenses		**(1,016)**	(1,219)
Administrative expenses		**(222,014)**	(153,747)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets		**(1,753)**	610
Share of results of a joint venture	14	**(21,688)**	(9,378)
Finance costs	5	**(227,186)**	(334,226)
Profit before tax		**3,550,775**	1,179,412
Income tax expenses	7	**(1,230,715)**	(208,185)
Profit and total comprehensive income for the period	6	**2,320,060**	971,227
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**2,304,502**	865,867
Non-controlling interests		**15,558**	105,360
		2,320,060	971,227
Earnings per share	10		
– Basic (RMB)		**1.11**	0.58

Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	Notes	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	**12,891,014**	12,046,011
Right-of-use assets	12	**1,068,396**	1,070,899
Intangible assets	13	**6,069,530**	3,146,237
Investment in a joint venture	14	**1,884,000**	685,499
Prepayments on acquisition of long-lived assets		**702,646**	866,222
Other receivables	17	**89,995**	2,246
		22,705,581	17,817,114
Current assets			
Inventories		**2,453,421**	2,435,865
Trade receivables	15	**288,783**	119,960
Receivables at fair value through other comprehensive income ("FVTOCI")	16	**65,170**	51,677
Prepayments and other receivables	17	**1,539,849**	1,178,859
Financial assets at fair value through profit or loss ("FVTPL")		**30,000**	–
Amounts due from a related party	25	**15,167**	–
Restricted bank deposits	18	**1,452,692**	1,654,382
Cash and cash equivalents	18	**2,163,944**	5,091,063
		8,009,026	10,531,806
Current liabilities			
Trade, bills and other payables	19	**4,886,236**	5,090,598
Contract liabilities		**89,806**	108,725
Lease liabilities		**46,054**	41,337
Deferred income		**21,396**	20,911
Bank and other borrowings	20	**7,862,415**	9,428,500
Tax payable		**471,248**	167,199
		13,377,155	14,857,270
Net current liabilities		**(5,368,129)**	(4,325,464)
Total assets less current liabilities		**17,337,452**	13,491,650

Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	Note	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current liabilities			
Deferred tax liabilities		**105,292**	93,436
Bank and other borrowings	20	**6,409,291**	2,975,530
Lease liabilities		**136,282**	143,941
Deferred income		**114,304**	105,472
		6,765,169	3,318,379
Net assets		**10,572,283**	10,173,271
Capital and reserves			
Share capital	21	**74**	74
Reserves		**10,572,209**	9,623,002
Equity attributable to owners of the Company		**10,572,283**	9,623,076
Non-controlling interests		**–**	550,195
Total equity		**10,572,283**	10,173,271

The condensed consolidated financial statements on pages 32 to 76 were approved and authorised for issue by the board of directors on August 17, 2026 and are signed on its behalf by:

Cui Lixin
DIRECTOR

Zhang Yue
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended June 30, 2026

	Attributable to owners of the Company								
	Share capital (note 21) RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000	Safety fund reserve (note) RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At January 1, 2026 (audited)	**74**	**5,637,478**	**639,847**	**92,096**	**(1,284,100)**	**4,537,681**	**9,623,076**	**550,195**	**10,173,271**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**2,304,502**	**2,304,502**	**15,558**	**2,320,060**
Dividend declared and paid (note 9)	**–**	**(1,395,521)**	**–**	**–**	**–**	**–**	**(1,395,521)**	**–**	**(1,395,521)**
Transfer to statutory surplus reserve	**–**	**–**	**206,086**	**–**	**–**	**(206,086)**	**–**	**–**	**–**
Transfer to safety funds reserve, net of utilisation	**–**	**–**	**–**	**(15,447)**	**–**	**15,447**	**–**	**–**	**–**
Acquisition of non-controlling interests of Shandong Chuangyuan New Material Technology Co., Ltd.* (山東創源新材料科技有限公司) ("Shandong Chuangyuan") (note 8)	**–**	**–**	**–**	**–**	**40,226**	**–**	**40,226**	**(565,753)**	**(525,527)**
At June 30, 2026 (unaudited)	**74**	**4,241,957**	**845,933**	**76,649**	**(1,243,874)**	**6,651,544**	**10,572,283**	**–**	**10,572,283**
At January 1, 2025 (audited)	-**	–	385,629	96,343	(1,284,100)	2,056,841	1,254,713	1,071,555	2,326,268
Profit and total comprehensive income for the period	–	–	–	–	–	865,867	865,867	105,360	971,227
Issue of ordinary shares	54	–	–	–	–	–	54	–	54
Transfer to statutory surplus reserve	–	–	78,022	–	–	(78,022)	–	–	–
Transfer to safety funds reserve, net of utilisation	–	–	–	3,433	–	(3,433)	–	–	–
At June 30, 2025 (unaudited)	54	–	463,651	99,776	(1,284,100)	2,841,253	2,120,634	1,176,915	3,297,549

Note:

Pursuant to regulation in the People's Republic of China ("PRC"), Inner Mongolia Chuangyuan Metal Co., Ltd * (內蒙古創源金屬有限公司) ("Inner Mongolia Chuangyuan"), one of the the Company's subsidiaries, carrying on Electrolytic Aluminum Business, are required to transfer an amount to safety fund ranging from 0.05% – 3% of annual revenue from electrolytic aluminum for the six months ended June 30, 2026 and 2025. Shandong Chuangyuan and Shandong Chuangtai New Materials Technology Co., Ltd. * (山東創泰新材料科技有限公司) ("Chuangtai New Materials") (six months ended June 30, 2025: Shandong Chuangyuan), carrying on Alumina Business, is required to transfer an amount to safety fund ranging from 0.2% – 3% of annual revenue from alumina and other related types of products, ranging from 1.5% – 3.0% of annual revenue from electricity, and at RMB1.5 to RMB4 per ton of red mud, which is generated from the production process during the current interim period.

Pursuant to the requirement of PRC government, a portion of retained earning is apportioned to safety fund reserve which can be used for safety facilities and environment improvement. Upon incurring qualifying safety expenditure, an equivalent amount should be reclassified out from safety fund reserve to retained earnings. At the same time, the safety facilities costs or expenditures are recognised as assets or in profit or loss respectively. This safety fund is not available for distribution to shareholders. Safety fund provided amounted to RMB25,613,000 and utilised amounted to RMB41,060,000 during the six months ended June 30, 2026, respectively (six months ended June 30, 2025: provided amounted to RMB25,182,000 and utilised amounted to RMB21,749,000).

* *English name is for identification purpose only*

** *Less than RMB1,000.*

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH FROM OPERATING ACTIVITIES	**2,690,010**	494,331
INVESTING ACTIVITIES		
Payments for acquisition of property, plant and equipment	**(1,349,536)**	(1,395,717)
Payments for acquisition of intangible assets	**(1,475)**	(746,992)
Payments for acquisition of right-of-use assets	**(11,629)**	(36,088)
Proceeds on disposal of property, plant and equipment	**5,744**	4,123
Proceeds on disposal of land use right	**–**	11,892
Return of prepayments on acquisition of intangible assets	**152,062**	–
Return of advanced receipt for disposal of property, plant and equipment	**(132,743)**	–
Payments for rental deposits	**(2,637)**	–
Interest received	**34,247**	2,383
Withdrawal of restricted bank deposits	**5,734,892**	1,496,601
Placement of restricted bank deposits	**(5,535,591)**	(1,696,552)
Purchases of financial assets at FVTPL	**(30,000)**	(999,900)
Proceeds from disposal of financial assets at FVTPL	**–**	1,000,342
Advance to a related party	**(15,443)**	–
Advance to an independent third party	**(21,812)**	–
Net cash outflow on acquisition of Tongliao Smart Mining (As defined in note 8)	**(1,000,016)**	–
Net cash inflow on acquisition of Chuangtai New Materials	**7,699**	–
Capital injection to a joint venture	**(1,220,189)**	–
NET CASH USED IN INVESTING ACTIVITIES	**(3,386,427)**	(2,359,908)

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Dividends paid	**(1,395,521)**	–
New borrowings raised	**8,527,636**	5,078,460
Repayments of borrowings	**(8,683,628)**	(2,750,950)
Proceeds from notes financing	**100,000**	800,000
Payments for notes financing	**(288,320)**	(110,000)
Payments of lease liabilities	**(17,010)**	(365,807)
Interest paid	**(256,885)**	(366,633)
Repayments of loans from a related party	**(38,574)**	–
Loans raised from third parties	**341,622**	207,185
Repayments of loans from third parties	**(341,622)**	(457,550)
Net cash outflow on acquisition of non-controlling interest of Shandong Chuangyuan	**(157,658)**	–
Proceeds from issue of ordinary shares	**–**	54
Payments of issue costs	**(542)**	(2,183)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	**(2,210,502)**	2,032,576
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(2,906,919)**	166,999
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**5,091,063**	176,401
Effect of foreign exchange rate changes	**(20,200)**	(156)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**2,163,944**	343,244

1. BASIS OF PREPARATION

A. General Information

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

B. Going Concern Assessment

The management of the Company and its subsidiaries (the "Group") have given careful consideration to the going concern of the Group in light of the fact that as at June 30, 2026, the Group's current liabilities exceeded its current assets by RMB5,368,129,000. In addition, as at June 30, 2026, the Group had capital commitments contracted for but not provided in the condensed consolidated financial statements amounting to RMB651,918,000, as disclosed in note 24.

In light of the above, the management of the Group has prepared the cash flow forecast covering the period for the next twelve months for the purpose of going concern assessment. The Group's cashflow forecast is largely dependent on cashflow to be generated from the Group's future operation. However, since the Group's business is highly sensitive to fluctuations in the prices of its products (including electrolytic aluminum and alumina) and its raw materials (including bauxite, coal, carbon anodes and alumina), in any case that the actual selling price and actual purchase price of raw materials which might be lower or higher than such adopted in the forecast, the actual cashflow generated from its operation might be negatively affected, causing the Group's financial pressure, to a certain extent, to repay its debt as they fall due in the foreseeable future.

Nevertheless, the management of the Group, according to the Group's level of profitability, together with their historical successful experience, is confident that they can successfully seek for alternative financing, refinancing, extension of due dates of the relevant debts and/or drawdown from unutilised credit facilities, which enables the Group to continue as a going concern. Currently, the Group has been continuously negotiating with banks and financial institutions to seek for alternative financing, refinancing and/or extension of due dates of the relevant debts.

Taking into accounts the available cash and cash equivalents on hand, the maturity profile of the bank and other borrowings, the status of alternative financing, refinancing and/or extension of due dates of the relevant debts, the anticipated cash flow from the operations, together with the other financial resources available to the Group; the Group has sufficient working capital for its present requirements, that is for at least the next twelve months commencing from the end of the reporting period. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards, and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

Internally-generated intangible assets – exploration and evaluation assets

Exploration and evaluation costs incurred where such expenditure is considered likely to be recoverable through future extraction activity or sale, or where the exploration activities have not reached a stage which permits a reasonable assessment of the existence of reserves, is capitalised and recorded on the consolidated statement of financial position as intangible assets within the category of exploration and evaluation assets at the exploration stage.

Exploration and evaluation assets comprise costs directly attributable to:

- Research and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods;
- Compiling pre-feasibility and feasibility studies.

Exploration and evaluation assets are stated at cost less any impairment losses. Exploration and evaluation costs include expenditure incurred to secure further mineralisation in existing ore bodies. Exploration and evaluation rights will be transferred to mining rights once the mining rights certificates obtained. The carrying amount of exploration and evaluation rights is assessed for impairment when facts or circumstances suggest the carrying amount of the asset may exceed its recoverable amount.

2. ACCOUNTING POLICIES (CONTINUED)

Intangible assets – exploration rights

Exploration rights are stated at cost less impairment losses. Exploration rights include the cost of acquiring exploration rights. Exploration rights will be transferred to mining rights once the mining rights certificates obtained.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board, for the first time, which are mandatory effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is engaged in the following two principal activities:

(i) Production and sales of aluminum ingots and liquid aluminum ("Electrolytic Aluminum Business"); and

(ii) Production and sales of alumina and other related types of products ("Alumina Business").

Disaggregation of revenue from contracts with customers

	For the six months ended June 30, 2026		
	Electrolytic Aluminum Business RMB'000 (Unaudited)	Alumina Business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods (recognised at a point in time)			
Electrolytic aluminum	8,024,690	–	8,024,690
Alumina and other related types of products	–	2,520,111	2,520,111
Scrap and other materials	88,695	78,605	167,300
Electricity	635,287	75,076	710,363
Steam supply	3,515	107,031	110,546
Total	8,752,187	2,780,823	11,533,010
Geographical market			
Mainland China	8,752,187	2,780,823	11,533,010

	For the six months ended June 30, 2025		
	Electrolytic Aluminum Business RMB'000 (Unaudited)	Alumina Business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods (recognised at a point in time)			
Electrolytic aluminum	6,622,256	–	6,622,256
Alumina and other related types of products	–	1,874,904	1,874,904
Scrap and other materials	61,894	25,457	87,351
Electricity	68,465	46,763	115,228
Steam supply	6,499	2,924	9,423
Total	6,759,114	1,950,048	8,709,162
Geographical market			
Mainland China	6,759,114	1,950,048	8,709,162

3B. OPERATING SEGMENTS

The following is an analysis of the Group's revenue and results by reportable and operating segments.

Six months ended June 30, 2026

	Electrolytic Aluminum Business RMB'000 (Unaudited)	Alumina Business RMB'000 (Unaudited)	Adjustments and elimination RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
SEGMENT REVENUE				
External sales	**8,752,187**	**2,780,823**	**–**	**11,533,010**
Inter-segment sales	**–**	**660,278**	**(660,278)**	**–**
	8,752,187	**3,441,101**	**(660,278)**	**11,533,010**
Segment profit	**3,515,843**	**131,088**	**(6,095)**	**3,640,836**
Central administration costs and directors' salaries				**(36,733)**
Other income – interest income				**19,376**
Other gains and losses – net foreign exchange loss				**(43,995)**
Finance cost – interests on bank borrowings				**(7,021)**
Share of results of joint ventures				**(21,688)**
Group's profit before tax				**3,550,775**

Six months ended June 30, 2025

	Electrolytic Aluminum Business RMB'000 (Unaudited)	Alumina Business RMB'000 (Unaudited)	Adjustments and elimination RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
SEGMENT REVENUE				
External sales	6,759,114	1,950,048	–	8,709,162
Inter-segment sales	–	1,786,144	(1,786,144)	–
	6,759,114	3,736,192	(1,786,144)	8,709,162
Segment profit	881,179	113,813	212,800	1,207,792
Central administration costs and directors' salaries				(12,907)
Share of results of joint ventures				(9,378)
Listing expenses				(6,095)
Group's profit before tax				1,179,412

3B. OPERATING SEGMENTS (CONTINUED)

The following is an analysis of the Group's assets and liabilities by reportable segments:

Segment assets

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Electrolytic Aluminum Business	20,314,962	16,795,086
Alumina Business	7,387,237	7,109,247
Total reportable segment assets	27,702,199	23,904,333
Unallocated		
Property, plant and equipment	4,860	3,778
Right-of-use assets	21,196	10,952
Investment in a joint venture	1,884,000	685,499
Cash and cash equivalents	1,097,555	3,724,487
Other receivables	4,797	19,871
Consolidated assets	30,714,607	28,348,920

Segment liabilities

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Electrolytic Aluminum Business	12,546,520	12,404,877
Alumina Business	5,638,032	5,685,653
Total reportable segment liabilities	18,184,552	18,090,530
Unallocated		
Bank borrowings	1,862,343	–
Lease liabilities	21,338	11,535
Other payables	4,070	3,563
Deferred tax liabilities	70,021	70,021
Consolidated liabilities	20,142,324	18,175,649

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than certain property, plant and equipment, right-of-use assets, investment in a joint venture, cash and cash equivalents and other receivables which are held by the headquarter and cannot be allocated; and
- all liabilities are allocated to reportable and operating segments other than certain bank borrowings, lease liabilities, other payables and deferred tax liabilities incurred by the headquarter.

4A. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	**31,858**	3,548
Rental income	**18,290**	15,339
Government grants (note)	**26,410**	8,819
Others	**2,057**	1,747
Total	**78,615**	29,453

Note: During the current interim period, the Group received government subsidies of approximately RMB21,290,000 (six months ended June 30, 2025: RMB37,755,000), as to subsidies certain of the Group's construction projects. The amount has been treated as deferred income and is transferred to income over the useful lives of relevant plant and machineries. This policy has resulted in a credit to income during the current interim period of RMB11,973,000 (six months ended June 30, 2025: RMB5,656,000). The other government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives rewarding the Group's support and contribution for the development of local economies.

4B. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment	**(43)**	(299)
Realised gain from financial assets at FVTPL	**–**	442
Gain on disposal of a subsidiary (note 23)	**–**	5,174
Net foreign exchange losses	**(43,995)**	(144)
Loss on derecognition of financial liabilities measured at amortised cost (note)	**–**	(64,787)
Others	**576**	704
Total	**(43,462)**	(58,910)

Note: Inner Mongolia Chuangyuan one of the subsidiaries of the Company, has entered into an agreement with an independent third party to acquire the annual aluminum production quota for a consideration of RMB792,453,000, which was payable in four instalments after July 2026. In June 2025, a supplementary agreement was entered between Inner Mongolia Chuangyuan and the independent third party, pursuant to which Inner Mongolia Chuangyuan agreed to change the repayment terms. RMB594,340,000 has been paid in June 2025. The adjustment to the carrying amount of payable for acquisition of aluminum production quota is recognised in other loss of RMB64,787,000 at the date of the payment term modification during the six months ended June 30, 2025.

5. FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interests on bank borrowings	**245,028**	354,592
Interests on bills discounted	**3,598**	7,161
Interests on lease liabilities	**3,090**	1,896
Interests on payable for aluminum production quota	**–**	25,382
Interests on bank loans under supplier finance arrangements	**270**	581
Others	**6,494**	3,386
Total borrowing costs	**258,480**	392,998
Less: amounts capitalised in the cost of qualifying assets	**(31,294)**	(58,772)
	227,186	334,226

Note: Borrowing costs capitalised during the current interim period arose on the specific borrowing are calculated by applying a capitalisation rate of 2.75% to 3.90% per annum (six months ended June 30, 2025: arose on the specific borrowing are calculated by applying a capitalisation rate of 3.10% to 5.00% per annum, and arose on the general borrowing pool are calculated by applying a capitalisation rate of 4.44% per annum).

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**517,443**	413,536
Depreciation of right-of-use assets	**28,200**	22,219
Amortisation of intangible assets	**35,746**	36,425
Total depreciation and amortisation	**581,389**	472,180
Capitalised in inventories	**(550,307)**	(459,427)
	31,082	12,753
Listing expenses	**–**	6,095
Staff costs (including directors):		
Salaries, allowances and other benefits in kind	**273,119**	205,934
Bonus	**42,887**	36,031
Retirement benefit scheme contributions	**22,793**	18,272
Total staff costs	**338,799**	260,237
Capitalised in inventories	**(236,867)**	(203,050)
	101,932	57,187
Impairment losses recognised on property, plant and equipment included in		
– cost of sales	**13,617**	18,125
Other expense comprised:		
– depreciation of leased assets	**9,032**	7,975
– donation	**1,391**	1,000
	10,423	8,975

7. INCOME TAX EXPENSES

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax – PRC Enterprise Income Tax ("EIT")	**846,194**	152,942
Under (over) provision in prior years (note)	**372,665**	(7,320)
Deferred tax charge	**11,856**	62,563
Total income tax expenses	**1,230,715**	208,185

Note: During the current interim period, Inner Mongolia Chuangyuan has undergone tax guidance due to its entitlement to the preferential tax policies for high-tech enterprises. This matter constitutes the primary driver of under provision in prior years amounting to RMB372,665,000 recognised in the current interim period.

In 2023, Inner Mongolia Chuangyuan has been certified as "High Technology Enterprise" for three years, qualifying it for a preferential tax rate of 15% from 2023 to 2025, subject to fulfilment of relevant qualification criteria. During the current interim period, Inner Mongolia Chuangyuan applied the standard tax rate of 25%.

Chuangyuan Alloy and Inner Mongolia Chuangyuan Keyou Energy Co., Ltd.* (內蒙古創源科右新能源有限公司) were eligible for three-year exemption and three-year half reduction of enterprise income tax due to the newly-constructed power grid transmission projects. While all other PRC entities, under the Law of PRC on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, their tax rate is 25% (2025: 25%) for 2026.

The Company is exempted from taxation under the laws of the Cayman Islands.

No provision of Hong Kong Profit Tax was made in the condensed consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profit Tax for both periods.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from January 1 2008 onwards.

* *English name is for identification purpose only*

8. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Tongliao Smart Mining Co., Ltd. * (通遼市智慧礦業有限公司) ("Tongliao Smart Mining")

On March 17 2026, Inner Mongolia Chuangyuan and Shandong Innovation Group Co., Ltd* (山東創新集團有限公司) ("Innovation Group") entered into an agreement for acquisition of 100% equity interests of Tongliao Smart Mining at a consideration of RMB1,000,813,000. The acquisition was completed on May 18 2026. Following completion of the acquisition, Tongliao Smart Mining has become a wholly owned subsidiary of Inner Mongolia Chuangyuan.

As the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, with remaining balance of the purchase price allocated to intangible assets at the date of acquisition. Tongliao Smart Mining is primarily engaged in mining, sales, washing and beneficiation of coal. Tongliao Smart Mining holds the exploration rights for coal resources in the No. 4 coalfield of the Huolinhe mining area in Inner Mongolia. As of the acquisition date, Tongliao Smart Mining was still in the exploration and development stage.

Assets and liabilities recognised at the date of acquisition

	RMB'000 (Unaudited)
Intangible assets – exploration rights and exploration and evaluation assets	2,945,525
Other receivables	2,845
Cash and cash equivalents	797
Bank borrowings	(1,900,000)
Amount due to Innovation Group	(38,574)
Other payables	(9,780)
Net assets	1,000,813

Net cash outflows arising on acquisition of Tongliao Smart Mining

	RMB'000 (Unaudited)
Consideration paid in cash	1,000,813
Less: cash and cash equivalents acquired	(797)
	1,000,016

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8. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) Acquisition of non-controlling interest of Shandong Chuangyuan

On March 17, 2026, Inner Mongolia Chuangyuan and Innovation Group entered into an agreement for acquisition of an additional 41.5% equity interest in Shandong Chuangyuan at a consideration of RMB525,527,000 from Innovation Group, of which amount of RMB157,658,000 was settled in May 2026. The acquisition was completed on May 15 2026. Following this acquisition, Shandong Chuangyuan has become a wholly owned subsidiary of Inner Mongolia Chuangyuan. The difference of consideration paid below the value of the non-controlling interest of RMB40,226,000, was taken to other reserve in the condensed consolidated statement of changes in equity.

(c) Acquisition of Chuangtai New Materials

On June 8 2026, Shandong Chuangyuan acquired 100% interest in Chuangtai New Materials at a consideration of RMB1,321,000. Chuangtai New Materials is principally engaged in the alumina business and was acquired with the objective of improving the Group's production capacity of alumina. The acquisition has been accounted for as acquisition of business using the acquisition method.

Assets acquired and liabilities assumed at the date of acquisition

	RMB'000 (Unaudited)
Property, plant and equipment	23,796
Inventories	8,864
Trade receivables	60,652
Prepayments and other receivables	202,144
Cash and cash equivalents	9,020
Trade and other payables	(2,711)
Contract liabilities	(300,444)
Net assets	1,321

8. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(c) Acquisition of Chuangtai New Materials (Continued)

Net cash inflows arising on acquisition of Chuangtai New Materials

	RMB'000 (Unaudited)
Consideration paid in cash	1,321
Less: cash and cash equivalents acquired	(9,020)
	(7,699)

Impact of acquisition on the results of the Group

Included in the profit for the interim period is loss of RMB546,000 attributable to the additional business generated by Chuangtai New Materials. Revenue for the interim period includes RMB44,820,000 generated from Chuangtai New Materials.

Had the acquisition of Chuangtai New Materials been completed on January 1, 2026, revenue for the interim period of the Group would have been RMB11,659,586,000, and the profit for the interim period would have been RMB2,318,635,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2026, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Chuangtai New Materials been acquired at the beginning of the interim period, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of acquisition.

9. DIVIDENDS

During the current interim period, a final dividend of Hong Kong Dollar ("HKD") 0.77 per share amounting to HKD1,597,750,000 (equivalent to RMB1,395,521,000) in respect of the year ended December 31, 2025 was declared and paid to owners of the Company whose names appear in the Register of Members on May 4, 2026 (six months ended June 30, 2025: no dividend was declared and paid by the Company).

The directors of the Company have determined that no dividend will be paid in respect of the interim period.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings (RMB'000)		
Profit for the period attributable to owners of the Company, for the purposes of basic earnings per share	**2,304,502**	865,867
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,075,000,000**	1,500,000,000

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the group reorganisation (details are set out in 2025 annual report of the Company), the Share Subdivision (as defined in note 21) and issue of 1,499,999,980 ordinary shares (details are set out in note 21) are completed on January 1, 2025.

No diluted earnings per share were presented as there were no potential ordinary shares in issue for both interim periods.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group had additions of property, plant and equipment (including capital expenditure for construction in progress) of RMB1,379,290,000 (six months ended June 30, 2025: RMB2,268,671,000) for expansion of business and production capacity of the Group.

The Group wrote off the electrolytic cell lining materials due to periodic maintenance or use of new cathode materials to improve production efficiency and reduce energy consumption. During the current interim period, the related impairment losses of the electrolytic cell lining materials were approximately RMB6,660,000 (six months ended June 30, 2025: RMB18,125,000), which were recognised in profit or loss.

According to the latest production plan, the management of the Group has re-evaluated if any existing long-lived assets will be discontinued from future use. As a result of the assessment, some equipment and machinery and motor vehicles have been identified that has been obsolete, as such, an impairment loss of RMB6,957,000 (six months ended June 30, 2025: nil) was recognised during the current interim period.

12. MOVEMENTS IN RIGHT-OF-USE ASSETS

During the current interim period, the Group recognised leasehold lands and offices of RMB25,697,000 (six months ended June 30, 2025: recognised leasehold lands, aircraft and offices of RMB185,033,000) and lease liabilities of RMB14,068,000 (six months ended June 30, 2025: RMB148,944,000).

13. MOVEMENTS IN INTANGIBLE ASSETS

During the current interim period, the Group had additions of exploration rights and exploration and evaluation assets of RMB2,945,525,000 through acquisition of Tongliao Smart Mining.

No impairment loss has been recognised during the current interim period.

14. INVESTMENT IN A JOINT VENTURE

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Cost of investment	**1,927,750**	707,561
Share of post-acquisition losses and other comprehensive expense	**(43,750)**	(22,062)
	1,884,000	685,499

Name of joint venture	**Country of incorporation/ registration**	**Principal place of business**	**Proportion of ownership interest and voting rights held by the Group** June 30, 2026	December 31, 2025	**Principal activity**
Red Sea Aluminium Holdings Pte. Ltd. ("Red Sea JV") (note)	Saudi Arabia	Saudi Arabia	**33.6%**	33.6%	Smelting and selling electrolytic aluminum

Note:

As at June 30, 2026 and December 31, 2025, Red Sea JV is owned by Kingston Management Pte. Ltd., a wholly owned subsidiary of the Group, Innovation Group, Innovation New Material Technology Co., Ltd.* (創新新材料科技股份有限公司) ("Innovation New Material") and other independent third parties as to 33.6%, 25.2%, 25.2% and 16.0% respectively.

Red Sea JV and its subsidiary had not carried out any substantive business operation, which is currently under infrastructure construction.

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15. TRADE RECEIVABLES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Trade receivables		
– related parties	42,679	17,514
– third parties	248,417	103,663
	291,096	121,177
Less: allowance for credit losses	(2,313)	(1,217)
Total	288,783	119,960

The Group allows a normal credit term of 7 days for liquid aluminum, 30 days for electricity and 30 days for steam supply. For aluminum ingots and alumina, a full advance payment is normally required. However, for certain aluminum ingots and alumina, payment is made after delivery.

The following is an aged analysis of trade receivables, net of allowance for impairment presented based on the dates of acceptance of goods, which approximate the respective revenue recognition dates, at the end of the reporting period:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within 1 month	283,610	102,780
1 to 12 months	4,830	17,113
1 to 2 years	343	67
Total	288,783	119,960

Before accepting any new customer, the Group will internally assess the credit quality of the potential customer and define appropriate credit limits.

As of June 30, 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB5,173,000 (December 31, 2025: RMB17,180,000), which are past due but not considered as in default because the management of the Group, according to the historical settlement pattern, industry practice and the Group's historical actual loss experience, had assessed that the probability of settlement from their customers was high.

16. RECEIVABLES AT FVTOCI

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Bills receivables	**65,170**	51,677

At the end of each reporting periods, the Group's bills received by Group with the following maturity.

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
0-180 days	**65,170**	51,677

16A. Transfers of Financial Assets

16A.1 Transferred financial assets that are not derecognised in their entirety

The following were the Group's financial assets as at June 30, 2026, that were transferred to suppliers for settlement of trade payables by endorsing (December 31, 2025: transferred to suppliers for settlement of trade payables by endorsing, or non-bank financial institutions by factoring) on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount. These financial assets are carried at amortised cost in the condensed consolidated statement of financial position.

At June 30, 2026

	Bills endorsed to suppliers with full recourse RMB'000 (Unaudited)
Carrying amount of transferred assets	**40,651**
Carrying amount of associated liabilities	**(40,651)**
Net position	**–**

16. RECEIVABLES AT FVTOCI (CONTINUED)

16A. TRANSFERS OF FINANCIAL ASSETS (Continued)

16A.1 Transferred financial assets that are not derecognised in their entirety (continued)

At December 31, 2025

	Factoring of trade receivables to non-bank financial institutions with full recourse RMB'000 (Audited)	Bills endorsed to suppliers with full recourse RMB'000 (Audited)	Total RMB'000 (Audited)
Carrying amount of transferred assets	30,000	28,047	58,047
Carrying amount of associated liabilities	(30,000)	(28,047)	(58,047)
Net position	–	–	–

16A.2 Transferred financial assets that are derecognised in their entirety but have continuing involvement

As of June 30, 2026, the Group had derecognised bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB1,144,985,000 (December 31, 2025: RMB1,625,708,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered that the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group continued the involvement in them, but the amount arising from continuing involvement is insignificant.

17. PREPAYMENTS AND OTHER RECEIVABLES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Current		
Prepayments to suppliers	**1,139,621**	857,111
Value-added tax recoverable	**204,421**	277,358
Deposits (note i)	**92,112**	–
Refundable cultivated land occupation tax	**36,185**	2,658
Amount due from an independent third party (note ii)	**21,812**	–
Receivables from disposal of property, plant and equipment	**21,236**	–
Prepaid expense	**13,459**	12,294
Refundable customs deposits	**7,255**	7,863
Refundable deposits for aircraft purchase (note iii)	**–**	17,572
Others	**4,232**	4,106
	1,540,333	1,178,962
Less: allowance for impairment losses	**(484)**	(103)
	1,539,849	1,178,859
Non-current		
Value-added tax recoverable	**85,199**	–
Refundable rental deposits	**4,796**	2,246
	89,995	2,246
	1,629,844	1,181,105

Notes:

(i) The amounts mainly represent the deposits paid to suppliers for the procurement of bauxite. These deposits are to be offset against with trade payables from purchase orders upon delivery.

(ii) The amount from an independent third party of RMB21,812,000 arose from non-trade transactions, and is interest free, unsecured and repayable on demand.

(iii) On December 22 2025, the Group entered into a letter of intent to purchase of a business aircraft with a vendor at a purchase price of United States Dollar ("USD") 44,280,000 (equivalent to RMB311,235,000), pursuant to which, the Group paid refundable deposit of USD2,500,000 (equivalent to RMB17,572,000) to the vendor. The Group further entered into aircraft sale and purchase agreement with the vendor, and the transaction has been completed in February 2026.

18 RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Restricted bank deposits

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Deposits for bills payable and letter of credit (note i)	1,022,692	1,654,382
Deposits for bank borrowing (note ii)	430,000	–
Total	1,452,692	1,654,382

Notes:

(i) The Group's restricted bank deposits are deposited to banks for the issue of bills payables and letter of credit by the Group primarily for the purchases of materials. The restricted bank deposits will be released upon the settlement of relevant bills payables and letter of credit, which are normally within a repayment period of 1 year, and are therefore classified as current assets.

As at June 30, 2026, restrict bank deposits for the issue of bills payables and letters of credit carried interest at market rates ranging from 0.05% to 1.40% (December 31, 2025: 0.05% to 1.60%) per annum.

(ii) The use of deposits needs to be reviewed and approved by the bank. As at June 30, 2026, the deposits carried interest at market rate of 0.05% per annum.

Cash and cash equivalents

As at June 30, 2026, bank balances carried interest at market rates ranging from 0.00% to 1.35% (December 31, 2025: 0.00% to 3.72%) per annum.

19. TRADE, BILLS AND OTHER PAYABLES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Trade payables		
– related parties	**23,467**	49,444
– third parties	**1,561,538**	1,343,997
	1,585,005	1,393,441
Bills payables	**1,347,258**	1,716,970
Bills payables under note financing arrangements (note i)	**100,000**	288,320
	3,032,263	3,398,731
Other payables – current		
Payables for acquisition of property, plant and equipment	**1,205,991**	1,245,868
Consideration payable for acquisition of non-controlling interests of Shandong Chuangyuan (note 8)	**367,869**	–
Other taxes payables	**123,929**	124,860
Payroll and welfare payables	**91,060**	104,593
Deposits (note ii)	**23,841**	27,619
Payables for acquisition of carbon emissions rights	**15,541**	15,541
Advance receipt of value-added tax from customers	**11,616**	14,079
Outsourced service payable	**1,690**	10,941
Advanced receipt for disposal of property, plant and equipment (note iii)	**–**	132,743
Accrued listing expenses	**–**	3,018
Accrued issue costs	**–**	542
Others	**12,436**	12,063
	1,853,973	1,691,867
	4,886,236	5,090,598

19. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

Notes:

i. Certain of the Company's subsidiaries received bills issued by other Group entities in respect of certain intra-group transactions. The receiving entities of the Group had discounted such bills in full to bank or non-bank institutions to obtain financing. During the current interim period, such internally issued bills which had been discounted to banks or non-bank institutions amounted to RMB100,000,000 (six months ended June 30, 2025: RMB800,000,000), which also represented the aggregate amount of the Group's underlying intragroup transactions settled by bills. The cash flows of such transactions have been presented in cash flow statement as financing activities.

ii. Amounts represented earnest deposits received by the Group in relation to framework agreements entered into with suppliers. These earnest deposits received would either be offset with the Group's future purchase orders or released to the suppliers upon maturity or termination of the framework arrangements.

iii. On April 29 2025, Chuangyuan Alloy, Inner Mongolia Chuangyuan and Inner Mongolia Chuangyuan Smart Energy Co., Ltd. * (內蒙古創源智慧電能有限公司) ("Chuangyuan Smart Energy") entered into separate asset disposal agreements (collectively the "Asset Disposal agreements") with an independent third party (the "Purchaser") to dispose of an electric power project, which includes an energy storage project, a converting station and power lines, at considerations of RMB228,118,000, RMB53,742,000 and RMB48,464,000, respectively. Since the assets attributable to the converting station and power lines have been pledged as securities for bank borrowings as at December 31, 2025 and the mortgage cannot be released under the current conditions, these assets are not classified as assets held for sale. Up to December 31, 2025, the Group has received RMB132,743,000 from the Purchaser.

On April 16, 2026, due to a change in the mutual intentions of the contracting parties, Chuangyuan Alloy, Inner Mongolia Chuangyuan and Chuangyuan Smart Energy entered into agreements with the Purchaser to terminate the Asset Disposal Agreements (the "Termination Agreements"). Pursuant to the Termination Agreements, the advance payment of RMB132,743,000, together with the fund occupancy fee of RMB219,000, was fully repaid on May 15, 2026.

* *English name is for identification purpose only*

19. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

The suppliers generally allow the credit period ranged from 0 to 180 days to the Group over the reporting periods.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
0 to 30 days	**951,860**	696,404
31 to 90 days	**238,926**	405,864
91 days to 180 days	**71,694**	24,923
Over 181 days	**322,525**	266,250
	1,585,005	1,393,441

The following is an aged analysis of bills payables presented based on maturity date at the end of each reporting period:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
0-180 days	**1,447,258**	2,005,290

20. BANK AND OTHER BORROWINGS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Bank loans	**13,837,796**	11,613,192
Bank loans under supplier finance arrangements (note i)	**123,434**	82,937
Other loans (note ii)	**310,476**	707,901
	14,271,706	12,404,030
Fixed-rate borrowings	**7,261,799**	9,085,600
Variable-rate borrowings	**7,009,907**	3,318,430
	14,271,706	12,404,030
Secured and guaranteed	**9,740,173**	10,414,664
Secured and unguaranteed	**430,549**	30,254
Unsecured and guaranteed	**3,070,691**	1,310,584
Unsecured and unguaranteed	**1,030,293**	648,528
	14,271,706	12,404,030
Carrying amount repayable (based on scheduled repayment terms)		
Within one year	**7,862,415**	9,428,500
More than one year but not exceeding two years	**1,529,495**	735,272
More than two years but not exceeding five years	**3,549,423**	1,138,293
Within a period of more than five years	**1,330,373**	1,101,965
	14,271,706	12,404,030
Less: Amount due for settlement within one year and shown under current liabilities	**(7,862,415)**	(9,428,500)
Amounts shown under non-current liabilities	**6,409,291**	2,975,530

20. BANK AND OTHER BORROWINGS (CONTINUED)

The secured and guaranteed bank borrowings were guaranteed by Mr. Cui Lixin ("Mr. Cui"), the ultimate controlling shareholder of the Group, and the companies controlled by him. Among the secured and guaranteed bank borrowings, RMB487,444,000 (December 31, 2025: RMB800,822,000) were secured by certain inventories, RMB2,667,430,000 (December 31, 2025: RMB5,410,490,000) were secured by aluminum production quota, certain property, plant and equipment, right-of-use assets and shares of subsidiaries of the Group, RMB1,397,868,000 (December 31, 2025: RMB600,475,000) were secured by shares of subsidiaries of the Group, RMB324,880,000 (December 31, 2025: nil) were secured by electricity fee charging right, RMB1,150,467,000 (December 31, 2025: RMB1,586,263,000) were secured by certain property, plant and equipment and right-of-use assets, RMB593,852,000 (December 31, 2025: RMB766,771,000) were secured by certain property, plant and equipment, RMB65,292,000 (December 31, 2025: RMB78,841,000) were secured by certain property, plant and equipment and electricity fee charging right, RMB800,560,000 (December 31, 2025: RMB800,622,000) were secured by certain property, plant and equipment, electricity fee charging right and shares of subsidiaries of the Group, RMB350,776,000 (December 31, 2025: RMB370,380,000) were secured by certain property, plant and equipment and electricity fee charging right, and RMB1,901,604,000 (December 31, 2025: nil) were secured by exploration right and shares of subsidiaries of the Group.

The unsecured and guaranteed bank borrowings of approximately RMB3,070,691,000 (December 31, 2025: RMB1,310,584,000) at June 30, 2026 were guaranteed by subsidiaries of the Group, Mr. Cui and Innovation Group.

The secured and unguaranteed borrowing of RMB430,549,000 were secured by restricted bank deposits (December 31, 2025: RMB30,254,000 were secured by trade receivables).

20. BANK AND OTHER BORROWINGS (CONTINUED)

Notes:

(i) The Group has entered into certain supplier finance arrangements with Bank of Jinzhou in 2025, Bank of Qingdao in 2025 and 2026, and Industrial and Commercial Bank of China in 2026. Under these arrangements, Bank of Jinzhou, Bank of Qingdao and Industrial and Commercial Bank of China settle the prepayments to the sellers on behalf of the Group. The Group's obligations to suppliers are legally extinguished on settlement by Bank of Jinzhou, Bank of Qingdao and Industrial and Commercial Bank of China. The Group then settles with Bank of Jinzhou within 1 year after settlement by Bank of Jinzhou with fixed interest ranges from 3.10%-3.80% per annum, settles with Bank of Qingdao within 1 year after settlement by Bank of Qingdao with fixed interest 3.95%-4.50% per annum and settles with Industrial and Commercial Bank of China within 1 year after settlement by Industrial and Commercial Bank of China with fixed interest 2.70% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices.

(ii) Other loans were arising from sales and lease back transactions (2025: trade receivables to non-bank financial institutions with full recourse and sales and lease back transactions).

The ranges of effective interest rates (which are also equal to contracted interest rates) per annum on the Group's borrowings are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Effective interest rate		
– fixed-rate borrowings	**2.00% to 5.50%**	3.00% to 5.50%
– variable-rate borrowings	**2.50% to 5.60%**	2.80% to 4.60%

20. BANK AND OTHER BORROWINGS (CONTINUED)

Loan covenants

(i) Industrial and Commercial Bank of China

In respect of bank borrowing from Industrial and Commercial Bank of China with carrying amount of RMB800,560,000 (2025: RMB800,622,000) as at June 30, 2026, Chuangyuan Alloy is required to comply with the following financial covenant which is tested on a yearly basis:

When the annual sales of 400MW wind power project are higher than 910 million kilowatts or the sales price is higher than RMB0.18/KWH, the repayment shall be accelerated according to the actual operation;

One year after the official operation of 400MW wind power project, if the net cash flow of operating activities in each fiscal year is negative, or the net profit is negative for two consecutive years, the lender has the right to declare the loan to expire early, or require the borrower to add additional risk mitigation measures approved by lenders, or require the borrower to repay part or all of the loan in advance.

One year after the official operation of 400MW wind power project, if the discharge hours are less than 2,277 hours, or the electricity generation is less than 900 million kilowatts, or the annual wind curtailment rate is higher than 3.9%, the lender has the right to declare the loan to expire early or require the borrower to add additional risk mitigation measures approved by the lender.

Construction of 400MW wind power project was completed and put into operation in 2025, and Chuangyuan Alloy has complied with the relevant covenant at each test date on or before the end of the reporting period.

In respect of bank borrowing from Industrial and Commercial Bank of China with carrying amount of RMB2,552,154,000 (2025: nil) as at June 30, 2026, Inner Mongolia Chuangyuan is required to comply with the following financial covenant which is tested on a quarterly basis:

At end of each quarter, if asset to liability ratio of Inner Mongolia Chuangyuan is higher than 75%, or the amount due from the related parties is higher than that of end of last quarter, the borrower is required to provide a written explanation. If the lender concludes that the financing of Inner Mongolia Chuangyuan lacks adequate security, it may exercise its right to accelerate repayment of the loan.

The Group has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related bank loans balances as non-current.

20. BANK AND OTHER BORROWINGS (CONTINUED)

Loan covenant (Continued)

(ii) SPD Bank

In respect of bank borrowing from SPD Bank with carrying amount of RMB1,901,604,000 as at June 30, 2026, Tongliao Smart Mining is required to comply with the following covenant: after the loan is drawdown, if the procedures for converting the exploration rights into mining rights are not completed within three years from April 30, 2025, the lender has the right to declare the loan prematurely due.

Inner Mongolia Chuangyuan, Shandong Chuangyuan and Chuangyuan Alloy are required to comply with the following financial covenants, respectively, which are tested continuously as long as the loans are outstanding:

The net leverage ratio of each company, which equals to (interest-bearing debt – unrestricted cash)/(earnings before interest, taxes, depreciation and amortisation), during the loan period shall not exceed four times.

If the three companies fail to comply with the above covenants, the lender may exercise its right to accelerate repayment of the loan.

The Group has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related bank loans balances as non-current.

(iii) China Merchants Bank

In respect of bank borrowing from China Merchants Bank with carrying amount of RMB400,255,000 as at June 30, 2026, Inner Mongolia Chuangyuan is required to comply with the following financial covenant which are tested on yearly basis as long as the loans are outstanding:

- the ratio of liabilities to assets shall not be more than 0.75:1;
- the net profit shall be more than RMB1 billion;
- the operating cash inflow shall be more than RMB2 billion.

The Group is required to comply with the following financial covenant which are tested on yearly basis as long as the loans are outstanding:

- the ratio of the consolidated liabilities to the consolidated assets shall not be more than 0.70:1.

If Inner Mongolia Chuangyuan or the Group fails to comply with the above covenants, the lender may exercise its right to accelerate repayment of the loan.

20. BANK AND OTHER BORROWINGS (CONTINUED)

Loan covenant (Continued)

(iii) China Merchants Bank (continued)

The borrowing contract has below negative pledge terms:

(1) if the pledge registration for 100% equity interest of Inner Mongolia Chuangyuan and the aluminum production quota are not completed by the end of September 2026, then China Merchants Bank shall reduce the outstanding balances to no more than RMB1 billion;

(2) if the pledge registration for 100% equity interest of Inner Mongolia Chuangyuan and the aluminum production quota are not completed by the end of January 2027, then Inner Mongolia Chuangyuan shall fully repay the borrowings in advance; and

(3) during the period from six months after the first drawdown to fully settlement of the borrowings, the interest-bearing debt of Inner Mongolia Chuangyuan shall not be more than RMB7 billion.

As the testing date has not arrived, there is a risk that the Group may not be able to meet the forementioned covenants of bank borrowing from China Merchants Bank at the next testing date and the loan with carrying amount of RMB400,255,000 might be demanded for repayment within twelve months after the current interim period.

(iv) China Construction Bank

In respect of bank borrowing from China Construction Bank with carrying amount of RMB600,378,000 as at June 30, 2026, Inner Mongolia Chuangyuan is required to comply with that the annual net profit shall not decrease by more than 50% compared to the previous year and the following financial covenants on quarterly basis as long as the loans are outstanding:

- the ratio of liabilities to assets shall not be more than 0.70:1;
- the ratio of current assets to current liabilities shall not be less than 0.5;
- the contingent liabilities shall not exceed RMB6.551 billion and the ratio of contingent liabilities to net assets shall not be more than 100%; and
- the carrying amount of long term investment shall not exceed the 50% of the net assets.

If Inner Mongolia Chuangyuan fails to comply with the above covenants, the lender may exercise its right to accelerate repayment of the loan.

The Group has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related bank loans balances as non-current.

21. SHARE CAPITAL

Details of movement of share capital of the Company are as follows:

	Par value per share USD	Number of ordinary shares	Share capital USD'000	Share capital presented in RMB RMB'000
Authorised				
On January 1, 2025 (audited)	0.0001	500,000,000	50	360
Share Subdivision (note)	N/A	9,500,000,000	–	–
On June 30, 2025 (unaudited), January 1, 2026 (audited) and June 30, 2026 (unaudited)	**0.000005**	**10,000,000,000**	**50**	**360**
Issued				
On January 1, 2025 (audited)	0.0001	1	–*	–*
Share Subdivision (note)	N/A	19	–*	–*
Issue of ordinary shares (note)	0.000005	1,499,999,980	7	54
On June 30, 2025 (unaudited)	0.000005	1,500,000,000	7	54
On January 1, 2026 (audited) and June 30, 2026 (unaudited)	**0.000005**	**2,075,000,000**	**10**	**74**

* *Less than RMB1,000.*

Note:

On January 6, 2025, a written resolution of the shareholders of the Company was passed to approve each share in the issued and unissued share capital was subdivided into 20 shares with a nominal value of USD0.000005 each ("Share Subdivision"). After the subdivision, the total issued share capital of the Company consisted of 20 shares with a nominal value of USD0.000005 each. Immediately following the Share Subdivision taking effect, the Company issued 1,499,999,980 ordinary shares to Bloomsbury Holding, the parent of the Company at a consideration of USD7,500.

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The board of directors of the Company has appointed the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available.

The fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements and valuation processes (Continued)

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset that are not based on observable market data (significant unobservable inputs).

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at		Fair value	
	30/06/2026	31/12/2025	**hierarchy**	**Valuation technique and key input**
	RMB'000	RMB'000		
	(Unaudited)	(Audited)		
Financial assets:				
Financial assets at FVTPL	**30,000**	–	Level 2	Discounted cash flow method using the expected return based on observable market inputs.
Receivables at FVTOCI	**65,170**	51,677	Level 2	Discounted cash flow method using the discount rate that reflected the credit risk of the corresponding banks which are observable.

There were no transfers between Level 1 and 2 during the current interim period.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

23. DISPOSAL OF A SUBSIDIARY

On May 30, 2025, Inner Mongolia Chuangyuan disposed of its 100% interest in Harrington Management Limited to a third party at a consideration of HKD10,000 (equivalent to RMB9,000). This transaction has resulted in the recognition of a disposal gain of RMB5,174,000.

24. CAPITAL COMMITMENTS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Unaudited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**651,918**	1,499,455

25. RELATED PARTY TRANSACTIONS

During the current interim period, the directors of the Company are of the view that the following are related parties of the Group:

Name of parties	Relationship
Innovation Group	Controlled by Mr. Cui
Innovation New Material and its subsidiaries	Controlled by Mr. Cui
Shandong Luyu Valve Co., Ltd. * (山東魯豫閥門有限公司) ("Shandong Luyu")	Controlled by family of Mr. Cui
Hainan Fujuanyong Trading Co., Ltd.* (海南福雋永貿易有限公司) ("Hainan Fujuanyong") and its subsidiaries	Controlled by family of Mr. Cui
Shandong Suotong Innovation Materials Co., Ltd.* (山東索通創新炭材料有限公司) (formerly known as Shandong Innovation Carbon Materials Co., Ltd. * (山東創新炭材料有限公司)) ("Shandong Suotong")	Associate of Innovation Group
Zouping Minsheng Metal Material Co., Ltd.* (鄒平縣民生金屬材料有限公司) ("Zouping Minsheng")	Controlled by family of Mr. Cui
Zouping Chuangyuan Logistics Co., Ltd.* (鄒平創源物流有限公司) ("Zouping Chuangyuan Logistics")	Controlled by Mr. Cui
Chuangtai New Materials (note)	Controlled by Mr. Cui
Inner Mongolia Chuangxin New Material Co., Ltd.* (內蒙古創新新材料有限公司) ("Inner Mongolia Chuangxin New Material")	Controlled by Mr. Cui
Red Sea JV	A joint venture of the Group

Note:

On June 8, 2026, Chuangtai New Materials has been acquired by Shandong Chuangyuan, making it a wholly-owned subsidiary of the Company. Details are set out in note 8.

* *English name is for identification purpose only.*

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions

During the current interim period, save as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following related party transactions:

(i) Revenue from related parties:

	Nature of transactions	Six months ended June 30, 2026 RMB'000 (Unaudited)	Six months ended June 30, 2025 RMB'000 (Unaudited)
Innovation New Material and its subsidiaries	Electrolytic aluminum, electricity, steam supply, and scrap and other materials	**5,519,551**	5,200,890
Shandong Luyu	Scrap and other materials	**877**	–
Chuangtai New Materials	Electricity, natural gas and Lime	**–**	98
Hainan Fujuanyong and its subsidiaries	Scrap and other materials	**–**	1,654
Total		**5,520,428**	5,202,642

(ii) Purchases of goods

	Nature of transactions	Six months ended June 30, 2026 RMB'000 (Unaudited)	Six months ended June 30, 2025 RMB'000 (Unaudited)
Shandong Suotong	Carbon anodes	**36,657**	298,566
Zouping Minsheng	Spare parts and others	**–**	169
Shandong Luyu	Spare parts and others	**1,799**	119
Innovation New Material and its subsidiaries	Spare parts and others	**6,732**	32
Zouping Chuangyuan Logistics	Spare parts and others	**411**	–
Total		**45,599**	298,886

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (Continued)

(iii) Purchases of services

	Nature of transactions	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Zouping Chuangyuan Logistics	Transportation service	**15,778**	20,604
Innovation Group	Labor cost	**378**	372
Innovation New Material and its subsidiaries	Machinery leasing service	**2,757**	–
Innovation New Material and its subsidiaries	Labor cost	**2,195**	–
Total		**21,108**	20,976

(iv) Purchases of property, plant and equipment

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Zouping Minsheng	**–**	8,015
Innovation New Material and its subsidiaries	**–**	667
Hainan Fujuanyong and its subsidiaries	**–**	110,446
Innovation New Material and its subsidiaries	**51,676**	–
Total	**51,676**	119,128

(v) Loss on disposal of property, plant and equipment

On March 31, 2025, Inner Mongolia Chuangyuan sold machinery equipment to Inner Mongolia Chuangxin New Material, the subsidiary of Innovation New Materials, with sale price of RMB80,000, resulting in loss on disposal of property, plant and equipment of RMB66,000.

(vi) Acquisition of subsidiaries

During the current interim period, Inner Mongolia Chuangyuan has acquired 100% equity interests of Tongliao Smart Mining and 41.5% equity interests of Shandong Chuangyuan from Innovation Group. Details of the acquisition are set out in note 8.

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (Continued)

(vii) Other income

i) Rental income

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Innovation New Material and its subsidiaries	**15,238**	14,364

ii) Others

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Innovation New Material and its subsidiaries	**1,756**	1,648
Shandong Suotong	**–**	1
Total	**1,756**	1,649

(b) Outstanding balances with related parties

Non-trade in nature

The Group had outstanding balances due from a related party at June 30, 2026.

(i) Amounts due from a related party

			Maximum amount outstanding during	
			Six Months	Year ended
	June 30,	December 31,	**ended June 30,**	December 31,
	2026	2025	**2026**	2025
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Red Sea JV (note)	**15,443**	–	**15,443**	–
Less: allowance for credit losses	**(276)**	–		
	15,167	–		

Note:

The amount arose from non-trade transactions, and is interest free, unsecured and repayable on demand.

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties (Continued)

Trade in nature

(i) Trade receivables

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Innovation New Material and its subsidiaries	42,679	17,514
Less: allowance for credit losses	(12)	(5)
	42,667	17,509

The following is an aged analysis of trade receivables with related parties, net of allowance for impairment presented based on the dates of acceptance of goods, which approximate the respective revenue recognition dates, at the end of the reporting period:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within 1 month	42,667	17,509

(ii) Trade payables

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Shandong Suotong	22,195	48,863
Innovation New Material and its subsidiaries	934	–
Zouping Chuangyuan Logistics	337	–
Shandong Luyu	1	581
Total	23,467	49,444

The following is an aged analysis of trade payables with related parties presented based on the invoice dates at the end of each reporting period:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
0 to 30 days	12,413	18,540
31 to 90 days	11,054	30,904
	23,467	49,444

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties (Continued)

(iii) Prepayments and other receivables

		June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Zouping Minsheng	Spare parts and others	–	12
Shandong Luyu	Spare parts and others	215	–
Innovation New Material and its subsidiaries	Spare parts and others	4,524	–
Total		4,739	12

(iv) Contract liabilities

		June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Innovation New Material and its subsidiaries	Electrolytic aluminum	18	678

(v) Other payables

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Hainan Fujuanyong and its subsidiaries	–	43,895
Innovation New Material and its subsidiaries	12,391	–
Innovation Group	367,869	–
Total	380,260	43,895

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the reporting period was as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	**3,295**	574
Bonus	**7,570**	11,284
Retirement benefit scheme contributions	**28**	31
Total	**10,893**	11,889

26. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the report, there were no significant events took place after the end of the reporting period.

Definitions

In this interim report, unless the context otherwise requires, the following terms shall have the meanings set out below:

"alumina refining"	the process of extracting aluminum oxide from bauxite ore
"alumina"	aluminum oxide, the primary material for electrolytic aluminum smelting
"aluminum hydroxide"	a white crystalline compound formed in the Bayer process of alumina refining process, can be calcined into alumina
"aluminum ingots"	the standardized solid form of aluminum that has been cast into a convenient shape for storage, transportation, and further processing
"Antaike"	Beijing Antaike Information Technology Co., Ltd. (北京安泰科信息科技股份有限公司)
"Audit Committee"	the audit committee of the Board
"bauxite"	a mineral, a mixture of hydrated aluminum oxides usually containing oxides of iron and silicon in varying quantities, characteristically composed of small, round concretions
"Bayer process"	the principal industrial method for refining bauxite to produce alumina developed by Carl Josef Bayer
"Bloomsbury Holding"	Bloomsbury Holding Limited, a limited liability company incorporated under the laws of the British Virgin Islands on June 28, 2023, which is wholly owned by Mr. Cui and a Controlling Shareholder
"Board" or "Board of Directors"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China, and for the purpose of this interim report and for geographical reference only and except where the context requires, references in this interim report to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Chuangyuan Alloy"	Inner Mongolia Chuangyuan Alloy Co., Ltd. (內蒙古創源合金有限公司), a limited company established under the laws of the PRC on January 28 2019, and an indirectly wholly-owned subsidiary of our Company

Definitions

"Company", "our Company" or "the Company"	Chuangxin Industries Holdings Limited (創新實業集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on July 4, 2023
"Connected Transaction Control Committee"	the connected transaction control committee of the Board
"Controlling Shareholder(s)"	has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to the group of controlling shareholders of our Company, namely Mr. Cui and Bloomsbury Holding, and a Controlling Shareholder shall mean each or any one of them
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Environmental, Social and Governance Committee"	the environmental, social and governance committee of the Board
"electrolytic aluminum smelting"	the electrolytic reduction process required to produce electrolytic aluminum from alumina
"Group", "our Group" or "we"	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board
"Inner Mongolia Chuangyuan"	Inner Mongolia Chuangyuan Metal Co., Ltd. (內蒙古創源金屬有限公司), a limited company established under the laws of the PRC on May 10, 2012, and an indirectly wholly-owned subsidiary of the Company

"Innovation Group"	Shandong Innovation Group Co., Ltd. (山東創新集團有限公司), a limited company established under the laws of the PRC on August 13, 2013, a company held by Mr. Cui and his associates, namely Yang Aimei, Geng Hongyu and Wang Wei as to 71.82%, 11.82%, 8.18% and 8.18%, respectively, thus our connected person
"Innovation New Material"	Innovation New Material Technology Co., Ltd. (創新新材料科技股份有限公司), a limited company established under the laws of the PRC on June 7, 1996 and listed on the Shanghai Stock Exchange (stock code: 600361.SH), a subsidiary of Innovation Group which is held by Innovation Group and Mr. Cui as to 30.08% and 14.40%, respectively, thus our connected person. The other shareholders of Innovation New Material include enterprises, institutions and natural persons, each of them holding less than 5% of the shares
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Cui"	Mr. CUI Lixin (崔立新), the chairman of the Board, a non-executive Director, our founder and one of our Controlling Shareholders
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company dated November 14, 2025
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the six months ended June 30, 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time

Definitions

"Shandong Chuangyuan"	Shandong Chuangyuan New Material Technology Co., Ltd. (山東創源新材料科技有限公司) (formerly known as Shandong Luyu Bochuang Aluminum Co., Ltd. (山東魯渝博創鋁業有限公司)), a limited company established under the laws of the PRC on November 12, 2018, and an indirectly wholly-owned subsidiary of our Company
"Share(s)"	ordinary shares in the share capital of the Company with par value of US$0.000005 each
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

* *For identification purposes only*